People • Partnerships • Knowledge

Human Resources and Social Development Canada

2006 – 2007 Estimates

A Departmental Performance Report

Approved by

The Honourable Monte Solberg, P.C., M.P.
Minister of Human Resources and Social Development

The Honourable Jean-Pierre Blackburn, P.C., M.P.
Minister of Labour

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Ministers' Messages

Message from the Minister of Human Resources and Social Development

I am pleased to present to Parliament the *2006 – 2007 Departmental Performance Report* for the Department of Human Resources and Social Development. This Performance Report represents achievements against the commitments set out in the Report on Plans and Priorities, and provides Canadians with the assurance that their government is accountable for results achieved.

Canada's New Government has made it clear that we want to bolster Canada's competitiveness. Advantage Canada — our long-term economic plan — is designed to make us a world leader for today and future generations. One of its key pillars is building a Knowledge Advantage; we have set a bold, but achievable, goal to create the best educated, most skilled and most flexible workforce in the world.

Budget 2007 put the Knowledge Advantage in action with the announcement that the government will invest $3 billion over 6 years to increase participation in the workforce through new agreements with provinces and territories. In addition, I have signed agreements with Prince Edward Island, Nova Scotia, Quebec and the Yukon for the Targeted Initiative for Older Workers. As well, Budget 2007 enhanced the Aboriginal Skills and Employment Partnership Program by $105 million over five years.

As Minister of Human Resources and Social Development Canada, I have had the opportunity to see first hand how the Department touches the lives of citizens. I am excited by the important steps we are taking as a department to help Canadians seize opportunities and build better lives for themselves and their families.

During this past year, Canada's New Government has also taken a leadership role in supporting the choices of Canadians to actively participate in society. In July 2006 we launched Canada's Universal Child Care Benefit. Some two million families now receive benefits that support their child care choices.

We are also helping persons with disabilities. We have put in place changes to the *Canada Pension Plan* and *Old Age Security Act* (Bill C-36) that provide enhanced disability benefits for long time contributors to the Canada Pension Plan. At the same time, in collaboration with Canada Revenue Agency, seniors who file income tax returns will benefit from the on-going renewal of the Guaranteed Income Supplement without having to re-apply every year.

As well, in December 2006, Canada's New Government delivered on its commitment to help those who are homeless and those at risk of becoming homeless by introducing a new Homelessness Partnering Strategy. Combined with renewed investment in Canada Mortgage and Housing Corporation's renovation programs, this represents an investment of $526 million over two years to help Canadians have access to safe and secure homes.

Finally, Service Canada is the Government of Canada's one stop service delivery network. In partnership with other departments, agencies and levels of government, it provides Canadians with a growing range of government programs and services. We have introduced an automated, on-line reading service to assist the visually impaired and introduced 171 new points of service, some of which provide multi-lingual service. This has resulted in ninety-five percent of Canadians now living within 50 kilometres of a Service Canada point of service.

Human Resources and Social Development Canada is committed to service and excellence. We will continue to serve Canadians with a focus on enhancing accountability and real results.

The Honourable Monte Solberg, P.C., M.P.
Minister of Human Resources and Social Development

Message from the Minister of Labour

The Labour Program plays a pivotal role in creating a successful and prosperous Canada by promoting and protecting the rights and well-being of employees and their employers. The workplace is where Canada's wealth is generated and where most Canadians spend a significant part of their lives. It is the goal of the Labour Program to help ensure that the workplace functions well.

Through our programs and services, the Labour Program helps both employees and employers meet the challenge and opportunities of the changing workplace. By promoting fair, stable, safe, healthy and productive workplaces and by providing labour-related research and information, we help improve the quality of life of all Canadians.

We are proud of our successes in the last year, which include:

- the resolution of important labour disputes;
- the modernization of rules and regulations, and improvement of enforcement and compliance related to occupational health and safety;
- advancements related to issues concerning employment and pay equity, wage earner protection and the review of labour standards;
- promotion of a racism free workplace; and
- advancements in the negotiation and implementation of international labour cooperation agreements and related activity programs.

The Labour Program works with other orders of government in many of its activities. We collaborate with our provincial and territorial partners to help build better workplaces across Canada. On the international stage, where we are the voice of Canadians concerning labour issues, we work with our international partners to promote core labour standards and improved living and working conditions.

The collaborative efforts of the Labour Program and Human Resources and Social Development Canada, will continue to ensure that Canadian employees and employers are provided with every opportunity to compete and thrive in the new global workplace and to build a stronger, more sustainable Canada.

The Honourable Jean-Pierre Blackburn, P.C., M.P.
Minister of Labour and Minister of the Economic Development
Agency of Canada for the Regions of Quebec

Management Representation Statements

Human Resources and Social Development Canada

I submit for tabling in Parliament, the 2006–2007 Departmental Performance Report for Human Resources and Social Development Canada.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006–2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the Department's approved Strategic Outcome(s) and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

Janice Charette
Deputy Minister
Human Resources and Social Development

Labour

To the best of my knowledge, the results achieved in support of the Labour program are presented in a complete, accurate and balanced manner in the *2006 – 2007 Departmental Performance Report* for Human Resources and Social Development Canada.

Munir A. Sheikh
Deputy Minister of Labour and Associate Deputy Minister
of Human Resources and Social Development

Service Canada

To the best of my knowledge, the results achieved in support of Service Canada are presented in a complete, accurate and balanced manner in the *2006 – 2007 Departmental Performance Report* for Human Resources and Social Development Canada.

Hélène Gosselin
Deputy Head of Service Canada and Associate Deputy Minister
of Human Resources and Social Development

Section I Overview

Human Resources and Social Development Canada

Departmental Overview

Introduction

This document reports on the performance of Human Resources and Social Development Canada for the period from April 1, 2006 to March 31, 2007. It reports on the Department's achievements related to the commitments set out in the 2006–2007 Report on Plans and Priorities.

This section provides a departmental overview, including a brief description of the socio-economic environment, and a summary of departmental performance. Section II includes detailed performance results information by strategic outcome. The financial tables and information concerning the specified purpose accounts are in Section III and Section IV provides more details on programs supporting activities and the consolidated financial statements.

The Department's vision is to build a strong and competitive Canada, to support Canadians in making choices that help them live productive and rewarding lives and to improve Canadians' quality of life. The Department's broad economic and social mandate touches all Canadians: from families with children to seniors, from school to work, moving from one job to another, from unemployment to employment, and from the workforce to retirement. The Department works to provide Canadians with the tools they need to thrive and prosper in the economy and society through access to learning and training opportunities, safe and productive working conditions and labour-management relations, as well as policies, programs and services that support the well being of individuals and families and their participation in the economy and society.

Ensuring Canadians have the tools they need to participate fully in the knowledge-based economy and to face today's labour market challenges, requires the active participation of a multitude of partners with the Department acting as a catalyst. Human Resources and Social Development Canada works closely with its provincial and territorial partners, building on established relationships through multilateral and bilateral forums. Employers and unions have an important role in workplace skills investments. Promoting socio-economic well-being also involves working in partnership with the voluntary sector and not-for-profit organizations, learning partners, community groups, including official language minority communities, and the private sector to develop integrated programs and provide information and services to Canadians. The Department works with numerous international partners to learn and share best practices and approaches to maximizing participation of Canadians in economic and social development.

To deliver on its mandate, the Department provides programs and services to millions of Canadians. This includes providing income support through legislated pension benefits, temporary income support during periods of unemployment, and employment programs that enable Canadians to prepare for, find and keep employment. The Department promotes lifelong learning by encouraging skills development in workplaces and by developing and disseminating information about the labour market. Human Resources and Social Development Canada also financially invests in learning to facilitate access to post-secondary education and adult learning opportunities, and reduce barriers to adult learning and literacy and early childhood development. The Department's social policies and programs help to ensure that children and families, seniors, people with disabilities, homeless persons, communities, and others who face barriers have the support and information they need to maintain their well-being and participate in society and the workplace. The Department also promotes stable industrial relations and safe effective workplaces within the federal jurisdiction, as well as negotiating and implementing trade-related international labour agreements.

Service Canada provides one stop access to services of Human Resources and Social Development Canada and a number of other federal departments. It builds on best practices in service excellence found within Canada and abroad and builds on over a decade of work within the Government of Canada to improve the delivery of service to Canadians. The Service Canada delivery network brought together close to 600 points of service in communities throughout Canada; a national 1 800 O-Canada telephone service providing Canadians with information about federal government services and 23 other networked call centres; benefits processing infrastructure and, a range of on-line services at **http://www.servicecanada.gc.ca/en/home.html.**

Human Resources and Social Development Canada's programs and services are designed to achieve results across a broad range of social and labour market outcomes. Five strategic outcomes form the structure for reporting plans, priorities and resources in this report:

"Policies and programs that meet the human capital and social development needs of Canadians"

"Enhanced Canadian productivity and participation through efficient and inclusive labour markets, competitive workplaces and access to learning"

"Safe, healthy, fair, stable, cooperative, productive workplaces and effective international labour standards"

"Enhanced income security, access to opportunities, and well-being for individuals, families and communities"

"Achieve better outcomes for Canadians through service excellence"

Canada's Performance

HRSDC	Government of Canada Outcome
✓	Strong economic growth
✓	An innovative and knowledge-based economy
✓	Income security and employment for Canadians
✓	A fair and secure marketplace
✓	Healthy Canadians
✓	A diverse society that promotes linguistic duality and social inclusion
✓	Safe and secure communities
✓	A prosperous global economy that benefits Canadians and the world

For more information on Canada's Performance 2006, please visit: **http://www.tbs-sct.gc.ca/report/govrev/06/cp-rc_e.asp**

Canada's Performance is an annual report to Parliament on the federal government's contribution to Canada's performance as a nation, highlighting both strengths and areas for improvement. As a companion piece to the Departmenta l Performance Reports, the report provides an overview of how the performance of individual departments and agencies contributes to broader, government-wide outcomes in the following key policy areas: economic affairs, social affairs, international affairs, and government affairs.

The strategic outcomes developed by Human Resources and Social Development Canada contributed to several government-wide outcomes as set out in *Canada's Performance 2006*.

DEPARTMENT OF HUMAN RESOURCES AND SOCIAL DEVELOPMENT • PROGRAM ACTIVITY ARCHITECTURE

Vision: A strong and competitive Canada that enables individuals to make choices that help them live productive and rewarding lives.

Labour Market	*Workplace Skills*	*Learning*	*Labour*	*Social Investment*	*Children and Families*	*Housing and Homelessness*	*Service Canada*
Enhanced Canadian productivity and participation through efficient and inclusive labour markets, competitive workplaces and access to learning			Safe, healthy, fair, stable, cooperative, productive workplaces and effective international labour standards	Enhanced income security, access to opportunities and well-being for individuals, families and communities			Achieve better outcomes for Canadians through service excellence
• Employment Insurance • Labour Market Programs	• Workplace Partnerships • Foreign Workers and Immigrants • Skills and Labour Market Information	• Student Financial Assistance • Canada Education Savings Program • Adult Learning, Literacy and Essential Skills Program • International Academic Mobility	• Federal Mediation and Conciliation Service • National Labour Operations • International and Intergovernmental Labour Affairs • Workplace Policy and Information	• Seniors and Pensions • Disability Programs • Canada Pension Plan – Disability • Community Development and Partnerships	• Child Care - Universal Child Care Benefit • Multilateral Framework for Early Learning and Child Care • Early Childhood Development Agreements • National Child Benefit	• Supporting Communities Partnership Initiative • Urban Aboriginal Homelessness • Regional Homelessness Fund • National Research Program • Homeless Individuals and Families Information System • Surplus Federal Real Property for Homelessness Initiative	**Seamless, Citizen-Centred Service** • **Integrity** • **Collaborative, Networked Government Service**

Results for Canadians

Policies and programs that meet the human capital and social development needs of Canadians

Policy, Research and Communication

- Strategic Policy
- Knowledge, Analysis, Audit and Evaluation
- Public Affairs and Engagement

Mandate

On February 6, 2006, Human Resources and Skills Development Canada and the former Social Development Canada were consolidated into the Department of Human Resources and Skills Development to be styled Human Resources and Social Development. The powers, duties and functions of the Minister of Social Development were transferred to the Minister of Human Resources and Skills Development, and the Minister was styled as Minister of Human Resources and Social Development. The Minister was also made responsible for the Canada Mortgage and Housing Corporation. Further, a Secretary of State for Seniors was appointed on January 4, 2007.

Until new legislation is enacted, the Minister will rely on the provisions of the *Department of Human Resources and Skills Development Act* and the *Department of Social Development Act* for specific authorities.

The *Department* of *Human Resources and Skills Development Act* defines the powers, duties and functions of the Minister of Human Resources and Skills Development, the Minister of Labour, and of the Canada Employment Insurance Commission. The legislative mandate of Human Resources and Skills Development is to **improve the standard of living and quality of life of all Canadians by promoting a highly skilled and mobile labour force and an efficient and inclusive labour market**. The Minister of Human Resources and Skills Development has overall responsibility for the employment insurance system, while the administration of the *Employment Insurance Act* is the responsibility of the Canada Employment Insurance Commission.

The *Department* of *Human Resources and Skills Development Act* provides for the appointment of a Minister of Labour who is responsible for the Canada Labour Code and the *Employment Equity Act*, as well as other legislation on wages and working conditions. The departmental statute provides that the Minister of Labour make use of the services and facilities of the Department. The Act also sets out the mandate of the Minister of Labour to **promote safe, healthy, fair, stable, cooperative and productive workplaces**.

The *Department* of *Social Development Canada Act* defines the powers, duties and functions of the Minister of Social Development. The mandate of Social Development Canada is to **promote social well-being and security**. In exercising the power and performing the duties and functions assigned by this Act, the Minister is responsible for the administration of the Canada Pension Plan, the *Old Age Security Act*, and the National Council of Welfare, and the *Universal Child Care Benefit Act*.

Service Canada operates within the legislative mandate and framework of the current departmental legislation. Its mandate is to work in collaboration with federal departments, other orders of government and community service providers to bring services and benefits together in a single service delivery network.

On June 1, 2006, the Policy Research Initiative was integrated into the Human Resources and Social Development Canada portfolio. It leads horizontal research projects in support of the medium-term policy agenda of the Government of Canada and identifies data needs and priorities for future policy development.

Expenditure Profile

Human Resources and Social Development Canada includes resources of the former Human Resources and Skills Development and the former Social Development departments. Human Resource and Social Development Canada expenditures on programs and services total more than $79 billion, of which $75 billion or almost 95% are direct benefits to Canadians through Employment Insurance, the Canada Pension Plan, Old Age Security, Universal Child Care Benefit, loans disbursed under the *Canada Student Financial Assistance Act* and other statutory transfer payments. The Department expenditures were $1.0 billion in voted grants and contributions; $33.6 billion in statutory grants and contributions; and $2.1 billion for *Employment Insurance Part II*.

Diagram 2006–2007 Expenditure Profile
Consolidated Total $79,225.1M

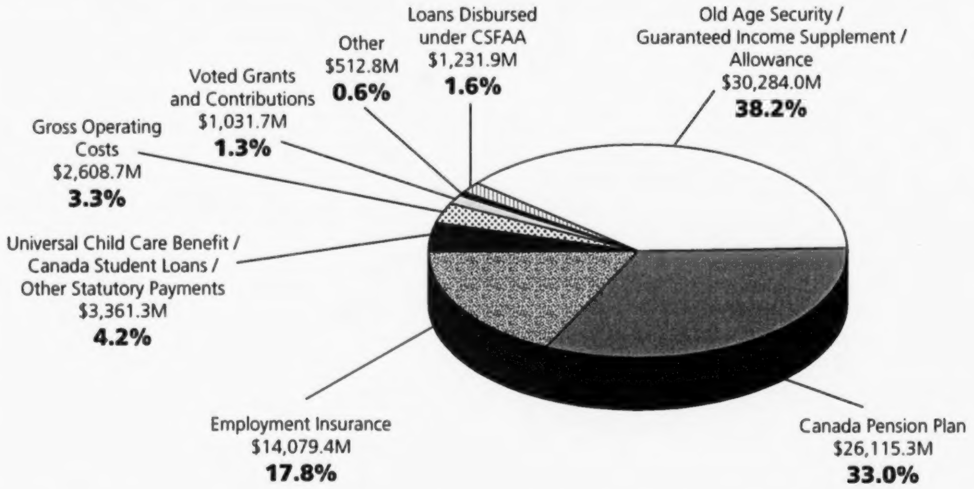

Table 1 Human Resources and Social Development Canada (millions of dollars)

Human Resources and Social Development Canada Gross Expenditures

Budgetary		
Net operating costs		969.7
Add recoveries in relation to:		
Canada Pension Plan	261.9	
Employment Insurance Account	1,290.0	
Workers' Compensation	87.1	1,639.0
Gross Operating Costs		2,608.7
Voted Grants and Contributions		1,031.7
Total Gross Expenditures		**3,640.4**
Other – Workers' Compensation and EI/CPP Charges and Recoveries		512.8
Non-Budgetary		
Loans disbursed under *Canada Student Financial Assistance Act* (CSFAA)		1,231.9

Statutory Transfer Payments

Grants and Contributions		
Old Age Security		22,878.8
Guaranteed Income Supplement		6,901.1
Allowance Payments		504.1
Other Statutory Payments		
Canada Student Loans	347.7	
Canada Education Savings Grant	505.0	
Canada Learning Bond	21.8	
Energy Cost Benefits	3.7	
Universal Child Care Benefit	1,784.4	
Childcare – Prov./Terr. Agreements	650.0	
Others	0.1	3,312.7
Sub-total		33,596.7
Canada Pension Plan benefits		26,115.3
Employment Insurance benefits		
Part I	11,992.5	
Part II	2,086.9	14,079.4
Other Specified Purpose Accounts		48.6[a]
Total Statutory Transfer Payments		73,840.0

[a] This amount includes payments related to Government Annuities Account and Civil Service Insurance Fund.

Socio-Economic Year in Review

This section provides an overview of the socio-economic context for 2006, covering the broad macroeconomic and social indicators that are of interest to Human Resources and Social Development Canada.

The issues that were facing the Canadian economy and labour market in 2005 became even more pronounced during 2006. Economic growth was strong and modest productivity growth was accompanied by employment gains. The sources of growth have been shifting west in response to high commodity (especially energy) prices, and the capacity of the economy to grow is being constrained by available labour supply, despite inter-provincial migration towards those fast-growing provinces.

The Canadian economy performed well in 2006

Canada's economy grew by 2.7 percent in 2006, a rate slightly less than the previous year. Relative to previous years, the drivers of economic growth were domestic, led by spending by Canadian consumers and business investment. Strong domestic demand, combined with a high Canadian dollar and competition from low-cost countries such as China, helped imports to grow faster than exports and lead to a deteriorating trade surplus. General global economic strength and booming demand from China pushed up commodity prices as evidenced by the Bank of Canada's commodity price index which has almost doubled since 2002.

Canadian labour productivity slowed in 2006. Most of this weakness is attributable to recent declines in productivity growth in the resource sector. In particular, shortages of skilled labour in the west and developments associated with activity in Alberta's oil sands, resulted in strong growth in the volume of hours worked without generating increases in production. Canada's productivity growth was again below that in the United States.

Employment continued to advance strongly

Employment advanced at a rate of 2.0 percent (315,000 jobs) in 2006, outpacing the gains recorded in 2005 and for the third consecutive year, gains in employment were predominantly full-time. The employment rate – the percentage of people aged 15–64 who are working – rose to a record 72.9 percent in 2006, surpassing the previous record registered over the prior two years.

Employment growth was constrained by the capacity of the labour force to grow. For the third consecutive year, labour force growth stalled, largely reflecting a slower population growth but also an absence of gains in labour force participation. The participation rate for those working age Canadians remained almost unchanged in 2006 from the previous year at 77.9 percent. In contrast, the unemployment rate fell to a 30-year low of 6.3 percent. The long-term unemployed (people unemployed a year or more) made up only 8.7 percent of all unemployed in 2006, its lowest share since 1990 (the average share of long-term unemployed among the G-7 countries is 30.9 percent).

The Bank of Canada estimates that the economy was operating very close to its potential during 2006.

High energy prices and the high Canadian dollar are leading to shifts in economic activity, employment and even populations

The Canadian economy is a mix of regional economies, each with its own mix of industry and resources. The Canadian economy has, overall, benefited from high commodity and energy prices and falling manufacturing prices, as Canada is an energy and commodity exporter and (on net) a manufactured products importer. However, these major changes in commodity and manufactured goods prices have had quite different impacts on particular sectors and regions.

On the one hand there have been booming investments in the energy sector, higher incomes overall and even better fiscal positions on the part of governments. As a result, the West, particularly Alberta and British Columbia, have been quite strong and recorded the fastest employment gains.

On the other hand, the combination of the high energy and material input costs, the high value of the Canadian dollar, and the high level of competition from emerging economies has led to another cycle of considerable weakness in the manufacturing sector. Manufacturing output growth has been weak and Canadian manufacturing has now joined the almost world-wide trend of economies losing manufacturing jobs. Ontario and Quebec have been the most affected provinces.

Yet, by historical standards, economic health has actually been quite widespread provincially. With the exception of Nova Scotia, all provinces recorded job gains in 2006. When looking at unemployment, labour market health seems to be even more widespread than employment growth. All provinces except Prince Edward Island had falling rates of unemployment, and most were at or near their lowest unemployment rates on record. Large provincial differences in unemployment rates persisted, however. Alberta had an unemployment rate of 3.4%, the lowest while the rate in Newfoundland and Labrador was 14.8%, the highest. During 2005, Alberta attracted over 100,000 inter-provincial migrants and even more during 2006. These are coming from across Canada, with over a third from Ontario alone.

Earnings increased steadily and at a faster rate than inflation

Economic progress is not just about jobs, it is about earnings in those jobs. In 2006, average hourly earnings rose 3.3%, up slightly from 2005. With inflation running near 2.0% last year, these were significant real gains in average real hourly earnings. Among unionized workers, major wage settlements negotiated between employers and their unions gave average annual increases in base rates of 2.5% in 2006, slightly higher than the average increases in 2005.

The low-income rate remains unchanged for most family types

Earnings gains are, of course, not evenly distributed and poverty is an ongoing issue, often best measured by how many families fall below a particular income level and by how much. In 2005, an estimated 655,000, or 7.4%, of all Canadian families were below the Statistics Canada after-tax 'Low-Income Cut-Off. Families in low-income needed an average of $7,900 to bring their income above the cut-off. While, overall, the incidence of low-income remained unchanged between 2004 and 2005, female lone-parent families experienced a 6.9-percentage point decline in their low-income rate over the period. This decline continued a four-year downward trend – reflecting sustained increases in the earnings and in the proportion of earners among lone mothers. Despite these gains, the incidence of low-income among female lone-parent families remains more than four times as high as that of two-parent families with children.

...but the gap between the lowest- and highest-income families and between the ones with the lowest and highest net worth is wider

The difference in income between the top and bottom 20 percent of families widened during the past decade. While this gap fluctuated between 1980 and 1996, by 2005 it had reached $105,400. Though all income groups benefited from the positive economic conditions that have prevailed since the early 1990s, the largest gains were for the top 20 percent. Current evidence suggests that the recent gains observed in the top quintile of percent of families accrued mainly to the top 1 percent of families. Interestingly, between 1999 and 2005, the median net worth of families in the top 20% of the wealth distribution increased by 19%, while the net worth of their counterparts in the bottom 20% remained virtually unchanged.

Canadian communities

According to the 2006 Census more than 81% of the Canadian population lived in an urban centre of 10,000 people or more, up from 76% in 1971. About 68% of Canada's population now live in communities located within the nation's 33 census metropolitan areas. International migration continues to be the major population driver of large urban centres. In 2001, 62% of all immigrants lived in Toronto, Montreal or Vancouver compared to 52% in 1981. As a result, projections suggest that visible minorities could represent 50% of the population of Toronto and Vancouver by 2016.

Summary of Departmental Performance by Strategic Outcome

This section summarizes achievements of Human Resources and Social Development Canada by strategic outcome and provides a report card on the Department's performance against specific indicators and objectives outlined in the 2006–2007 Reports on Plans and Priorities.

Policies and programs that meet the human capital and social development needs of Canadians.

During the year, the Department provided strategic policy, research, and communication expertise in support of the government's efforts to improve the standard of living and quality of life of Canadians, and promote their social well-being and security. A major focus of this work was supporting the government's commitments contained in the 2006 Budget and economic and fiscal update, including supporting the principle of creating new opportunities and choices for people that was announced in *Advantage Canada: Building a Strong Economy for Canadians*.

In 2006–2007 a number of strategic initiatives were launched that will help the Department become a recognized centre of excellence for labour market and social development policy and knowledge. One such initiative included progress in developing an approach that recognizes the importance for economic and social strategies to be mutually reinforcing, and that fairly reflects both the social development and economic aspects of the Department's mandate. A medium-term policy planning process was launched that implements a forward-looking perspective through which the Department can identify and prepare for challenges expected to emerge over the medium-term. To ensure that it remains current over time, a provision was built into the planning process that calls for regular reassessment of emerging issues.

Significant progress was made during the year on integrating the Department's extensive knowledge capacity to better inform its policy and program development functions, including the development of a draft knowledge plan that encompasses priority setting for creating, maintaining, using, and disseminating knowledge, data, and research.

Enhanced Canadian productivity and participation through efficient and inclusive labour markets, competitive workplaces and access to learning.

During 2006–2007 Human Resources and Social Development Canada worked on a number of broad fronts — supporting labour market efficiency and inclusiveness, enhancing the competitiveness of workplaces, and helping Canadians gain access to learning opportunities — toward the common goal of supporting Canada's continuing prosperity through enhanced productivity and participation. The Department's labour market, workplace skills, and learning programs complemented each other in working towards creating the best educated, most skilled and flexible labour force, and in contributing to a number of broad Government of Canada outcomes: strong economic growth, an innovative and knowledge-based economy, income security, employment for Canadians including targeted groups and those facing barriers, and employment for Canadians, and a fair and secure marketplace. Departmental efforts under this strategic outcome and its major program activities were consistent with the principle of creating new opportunities and choices for people that is outlined in the Government's economic plan: *Advantage Canada: Building a Strong Economy for Canadians*.

Labour Market

Work by the Department's labour market program activity to increase labour market inclusiveness and enhance participation was pursued through a variety of horizontal initiatives and collaborative efforts involving other federal departments, provinces and territories, external organizations, and other stakeholders. An important accomplishment was the devolution of the Labour Market Development Agreement to Ontario, in keeping with the government's goal of transferring such agreements to provinces and territories. Efforts to improve Aboriginal labour market outcomes included working with partners to strengthen the Aboriginal Human Resources Development Strategy in the areas of urban service delivery, labour market research, and private sector engagement. As well, agreements under the Targeted Initiative for Older Workers were signed with three provinces and one territory to help meet the needs of displaced older workers. All others who have indicated they will participate in this initiative signed the agreements in 2007–2008.

The Employment Insurance program provided Canadians with temporary income support while they were unemployed, or took a temporary absence from work for sickness, pregnancy, childbirth, or to care for a family member. To ensure the Employment Insurance program continues to support individual well-being and economic stability, various measures were undertaken, including the implementation of a pilot project that tests the labour market impacts of offering five additional weeks of regular benefits in regions of high unemployment, and an expansion of the eligibility for the Compassionate Care Benefit so more people can access it.

Workplace Skills

Through its workplace skills program activity Human Resources and Social Development Canada worked to improve Canada's economic competitiveness and enhance the competitiveness of Canadian workplaces. This work, undertaken in collaboration with numerous partners, focused on encouraging employers to invest in the skills development of their workers so they can adapt to evolving skills requirements. The Department took a number of actions to increase the pool of skills available to the Canadian labour market and promote effective participation of skilled workers. Efforts to help Canadian workplaces benefit from the skills possessed by internationally trained individuals and help these individuals integrate more successfully into the labour market included making investments pertaining to the recognition of foreign credentials. Work to increase access to apprenticeships in Red Seal trades and promote inter-provincial mobility included launching the application process for the Apprenticeship Incentive Grant. By year end, more than 4,900 applications had been received for the grant, which helps eligible apprentices registered in a Red Seal trade program cover expenses. The Department also made investments to help improve inter-provincial mobility within priority health occupations.

Learning

With lifelong learning becoming increasingly vital to individual well-being and Canada's productivity, competitiveness and prosperity, the learning program helped Canadians gain access to the learning they need to better participate in a knowledge-based society and economy. Departmental efforts supported the objective as outlined in the Government's economic plan *Advantage Canada: Building a Strong Economy for Canadians* of exploiting Canada's knowledge advantage to create the best-educated, most skilled and most flexible workforce in the world. The Department worked to make Canadians aware of the importance of lifelong learning and the need to save, plan and pay for post-secondary education; facilitated access to post-secondary education and adult learning opportunities; and worked with partners on the delivery of learning programs and services. The Department helped to make post-secondary learning opportunities accessible to thousands of Canadians through student loans and study grants, as well as access grants for groups that are under-represented in post-secondary education. Eligibility for Canada Student Loans was expanded by reducing the expected parental contribution, effective for the 2007–2008 academic year. Financial supports and incentives were also provided to encourage Canadians to save for post-secondary education, and more support was provided for education savings by low-income families. This support through an enhanced Canada Education Savings Grant and the Canada Learning Bond, became widely available by the end of 2006–2007 once more financial institutions had signed agreements with the Department and upgraded their systems. The Department also implemented the Government's commitment to adult literacy through an integrated program, the Adult Learning, Literacy and Essential Skills Program, in partnership with the provinces and territories.

Safe, healthy, fair, stable, cooperative, productive workplaces and effective international labour standards.

Labour

Throughout the year, the Labour Program worked to ensure safe, healthy, fair, stable, cooperative and productive workplaces within the federal jurisdiction, administered labour related legislation governing federally regulated industries, fostered cooperation within the network of labour jurisdictions in Canada, and managed Canada's international labour affairs. This work cast its influence over a broad spectrum of labour issues: maintaining a fair balance in the relationship between employers and employees; creating competitive workplaces; supporting Canada's productivity and promoting international respect for labour rights. For example, mediation and conciliation assistance provided to employers and unions led to over 96 percent of collective bargaining disputes being settled without a work stoppage; a program was implemented to help ensure an adequate supply of labour negotiators and mediators in the future; and funding was provided to labour capacity-building programming in Canada's trading partners in the Americas. The final report *Fairness at Work: Federal Labour Standards for the 21st Century*, by the independent Commissioner reviewing Part III (Labour Standards) of the *Canada Labour Code* was released. The Minister of Labour met with key stakeholders to obtain their views regarding the report's recommendations on modernizing labour standards in the federal jurisdiction. The Labour Program's efforts also contributed to numerous Government of Canada outcomes: a fair and secure marketplace; safe and secure communities; a safe and secure world through international cooperation; and a strong and mutually beneficial North American partnership.

Enhanced income security, access to opportunities and well-being for individuals, families and communities.

The Department continued helping individuals, families, and communities achieve their potential in contributing to Canadian society and sharing in the opportunities society provides. Challenges require that the Department be flexible in finding the most effective ways to provide assistance. At times this involved providing direct assistance, such as the financial benefits paid to parents to help them choose the kind of care they want for their young children. Other approaches included working horizontally with other federal departments and orders of government; working with groups at the community level; tapping the capacity of non-profit organizations; or generating awareness about issues among the public at large. Some challenges, such as enhancing the income security of seniors, affect a broad segment of the population and involved providing pensions to millions of people; other challenges called for a more tailored approach to address particular circumstances, such as providing the assistance that helped more than 2,500 people with disabilities improve their employability. Working towards this strategic outcome also contributed to a number of Government of Canada outcomes, such as A Diverse Society that Promotes Linguistic Duality and Social Inclusion, Safe and Secure Communities, Income Security and Employment for Canadians, Strong Economic Growth and an Innovative and Knowledge Based Economy.

Social Investment

Under its Social Investment activity the Department administered Canada's national pension plans, which constitute important sources of secure income for seniors, who are the fastest growing age segment of Canada's population, and to people with disabilities who are often unable to earn adequate income from employment. As an illustration of how important such pensions are to seniors, the most recent figures available, for 2004, indicate that Old Age Security accounted for more than half of the total post-retirement income of low-income seniors and that Old Age Security and Canada Pension Plan benefits accounted for more than 40% of the total post-retirement income for seniors.

Other efforts to help targeted groups improve their well-being and participation in communities included approving 775 new projects under the community based New Horizons for Seniors Program to provide funding to encourage seniors to share their knowledge and skills with others in their communities and reduce their social isolation. Also, investments were made in 99 projects under the Social Development Partnerships Program for early childhood development, children and families, official language minority communities and voluntary sector initiatives. As lead federal department on issues affecting people with disabilities, Human Resources and Social Development Canada administered a number of programs to help them improve their employability and well-being, including Labour Market Agreements for Persons with Disabilities, the Opportunities Fund, and the Disability Component of the Social Development Partnership Program.

Children and Families

Recognizing the priority that families place on child care and the diversity of challenges this presents to parents, the children and families program activity oversaw implementation of the new Universal Child Care Benefit, which provided financial assistance to help parents decide for themselves what form of child care best suits their circumstances. In the last month of 2006–2007, 1.5 million families with young children received the Universal Child Care Benefit. In addition, Budget 2007 announced $250 million for the creation of child care spaces. Financial assistance and services were provided to low income families through the National Child Benefit, a partnership among federal, provincial and territorial governments, including a First Nations component. The National Child Benefit Supplement for low-income families was increased by approximately $185 per child. The federal government also provided substantial financial assistance through the Canada Social Transfer to support early childhood development by means of such Human Resources and Social Development Canada-managed federal, provincial and territorial initiatives as the Multilateral Framework on Early Learning and Child Care, and the Early Childhood Development Agreement.

Housing and Homelessness

People become homeless through a variety of circumstances, and the homeless population has many faces. The housing and homelessness program activity leads work in this area in collaboration with numerous partners and stakeholders. The Department invested in communities across Canada to help them develop the tools and a range of interventions to help homeless people move towards self-sufficiency. For example, approximately $175.5 million in National Homelessness Initiative funding helped 1,140 homelessness-related projects provide services in 121 communities. A new Homelessness Partnering Strategy that increases horizontality and partnerships was developed to improve access to the range of services and programs that homeless individuals and families need to move toward self-sufficiency. The new Strategy shifts the emphasis from remedial interventions to prevention and reduction of homelessness through transitional and supportive housing. The strategy relies on partnerships, improved collaboration, and better alignment of investments by the various partners to implement local solutions for local problems.

Achieve better outcomes for Canadians through service excellence

Service Canada continued to work towards the goal of providing high-quality, personalized, one-stop service for Canadians. To this end, new services were provided and existing ones were expanded, new points of services were opened, internet service was improved, efforts were made to improve stewardship of public funds, and partnerships with other federal departments and orders of government were strengthened. An important step included implementing client advisory groups that provided a unique perspective on the service needs and priorities of particular segments of clients, such as people with disabilities, and members of the voluntary sector. Access to service was improved through new points of service, as well as a new user-friendly internet website. The range of services delivered by Service Canada also continued to expand, for example, access to pleasure craft licences and the Universal Child Care Benefit, which, by helping parents decide for themselves the kind of care they want for their young children, embodies the government's principle of expanding choices for people. Improvements to existing services included expanding the number of locations providing passport application service to Canadians in smaller and remote communities that do not have a Passport Canada office. Efforts to cope with increased demand for telephone service included extending hours of service, and providing service on Saturday. Measures to ensure that the benefits Service Canada issues go to the right person, in the right amount, and for the purpose for which they were intended, included a continued emphasis to strengthen the integrity of the Social Insurance Number and become a safe and secure common identifier. Examples of work to expand and strengthen partnerships included providing new or expanded service on behalf of five federal departments, working collaboratively with the province of Alberta to streamline the application process for persons with disabilities, and managing the transfer of design and delivery responsibilities for Employment Insurance funded labour market programming to the province of Ontario.

Seamless, citizen-centred service

Through this program activity, service delivery is being transformed from a program focus, which required clients to navigate through an array of government programs to find the services they wanted; to a focus centred on client needs that provides integrated, personalized services available through a variety of service channels. Implementing a client community service strategy has enabled Service Canada to gain a better insight into the needs and priorities that are unique to specific segments of clients. Such insight helped to implement better service to persons with disabilities, such as an automated reading service that assists visually impaired users of the Service Canada internet site. Service Canada's presence grew through the introduction of 171 new points of service, several of which provide multilingual service, putting ninety-five percent of Canadians within 50 kilometres of a Service Canada point of service. Efforts to cope with a 22% increase in demand for telephone service, to a total of over 60 million calls, included extending hours of service, and providing call service on Saturday. Internet service was improved with the launching of a more user-friendly web-site that incorporates a client feedback capability, a voice feature that reads out content for clients, and increased availability of internet service to more than 99% of the time. More than 22 million visits were made to the Service Canada web site in 2006–2007. Accountability and transparency were strengthened through the publication of the first Service Canada annual report.

Integrity

Maintaining sound stewardship of public funds and generating savings included efforts to strengthen the integrity of the Social Insurance Number as a safe and secure common identifier. This included numerous Social Insurance Number investigations, providing assistance to individuals with a compromised Social Insurance Number, and helping Canadians to become aware of proper and improper uses of their Social Insurance Number and testing ways to improve the quality and integrity of Social Insurance Number issuance.

Savings were realized through a combination of measures, including program integrity strategies that helped to ensure benefit payments went only to those who were eligible and improvements to procurement practices for goods and services.

Collaborative, networked government service

Work under this program activity included increasing Service Canada's capacity to become a one-stop point of service for Canadians. To that end, activity focused on expanding relations with other departments and government organizations, efforts that resulted in an increased number of organizations for whom Service Canada delivers service, such as Transport Canada on whose behalf Service Canada issued more than 123,000 pleasure craft licences. Additional progress was made in expanding the use of automated processes, which saw the renewal of Employment Insurance claims through electronic means exceed 30%, and an additional 24,000 employers registering to provide Record of Employment information online. Measures were also undertaken to improve the process through which vital event information is provided to Service Canada by provincial and territorial government organizations which will help to ensure greater accuracy of identification information in the Social Insurance Registry which is crucial for the detection of fraud and abuse.

Departmental Scorecard for Program Indicators

NOTE TO READER: For 2006–2007 the number of indicators and the range of activities covered substantially increased in comparison to the number of indicators that existed in the two former departments prior to their merger. The 2006–2007 indicators were aligned with the new Department's Program Activity Architecture and Strategic Outcomes. The Scorecard that follows represents the first set of program performance indicators developed by Human Resources and Social Development Canada since the new Department was created.

In recognition of the need for greater rigour and focus on results, efforts were made to further refine the departmental Performance Measurement Framework. This led to a more concise and consistent set of indicators being proposed for 2007–2008. Work also began on the development of a plan to guide the further evolution of performance measurement with the goal to increase the Department's capability and readiness for measurement and reporting of performance leading to better strategic decision making and continuous performance improvement.

Program indicators are among several sources used for evaluating departmental performance. Program evaluations and audits and the Employment Insurance Monitoring and Assessment Report are also tools to provide a comprehensive understanding of performance.

The Scorecard displays results information for the Department's program performance indicators that were published in the 2006–2007 Report on Plans and Priorities. For indicators that have an established target, the Scorecard provides a rating in terms of whether expectations were met, mostly met, or not met. No rating is provided for indicators that do not have established targets. Brief comments are included for indicators where required. More detailed comments on indicator results are included in the section of the document that discusses performance by strategic outcome.

Table 2 Summary of Departmental Program Performance by Strategic Outcome

Legend		
	● Target met or exceeded	○ Target not met
	O Target mostly met	**N/A** Not applicable

Rating	Program Indicators	2006–2007 Target	Results
Enhanced Canadian productivity and participation through efficient and inclusive labour markets, competitive workplaces and access to learning			
Labour Market			
Access			
N/A	Percentage of unemployed targeted by the Employment Insurance program eligible to collect regular Employment Insurance benefits		2005 Result: 83.4%
N/A	Rate of participation of designated groups (self-identified) and older workers in Employment Benefits and Support Measures (EBSM)		

	Rate of Participation in EBSM 2005–2006	Percentage of the entire unemployed labour force (2001 census)
Women	50.0%	45.5%
People with disabilities	4.6%	9.8%
Aboriginal persons	7.2%	6.5%
Visible minorities	6.8%	16.2%
Older workers (55 and over)	6.5%	17.3%

Rating	Program Indicators	2006–2007 Target	Results
Adequacy			
N/A	Proportion of regular entitlement collected by Employment Insurance claimants (%)		(2004–2005) 59.8%
N/A	Proportion of Employment Insurance maternity/ parental entitlement collected by Employment Insurance claimants		Result: (2004–2005) 93.5%
Labour Market Efficiency			
●	Number of youth clients who return to school or become employed following an employment program intervention under the Youth Employment Strategy and proportion of these clients in the total number of action plans closed	7,400	8,539 Proportion: 65.29%
	Comments: These targets do not include returns to school following participation in the Summer Career Placements initiative under Summer Work Experience.		
●	Number of Aboriginal clients who return to school or become employed following an employment program intervention under the Aboriginal Human Resources Development Strategy and proportion of these clients in the total number of action plans closed	20,500	23,230 Proportion: 54.17%
●	Number of clients employed or self-employed following an employment program intervention, and proportion of these clients in the total number of action plans closed	220,000	226,453 Proportion: 59.15%

Rating	Program Indicators	2006–2007 Target	Results
Workplace Skills			
N/A	Number of apprentices that received the Apprenticeship Incentive Grant	New Measure	Service Canada received more than 4,900 applications for the Grant as of March 31st, 2007
●	Increase in the number of trades people who are fully mobile in Canada through Red Seal endorsement	15,000	20,386 (2006)
	Comments: Red Seal statistics are reported annually, based on the January to December time period.		
●	Number of tools and processes completed to be used in verifying and recognizing foreign credentials and work experience of foreign-trained professionals	85	89 (April 2004 – March 2007)
Learning			
N/A	3-year loan default rate (direct loans only for 2006–2007)	26%	On track to meet targeted 3-year result (actual available in 2009–2010)
●	Number of Canadians who have ever received a Canada Education Savings Grant and who are attending postsecondary education in the current fiscal year	192,000	190,000 (calendar year)
●	Percentage of Canadians under 18 years of age who have ever received a Canada Education Savings Grant	34%	34%
○	Percentage of children eligible for the Canada Learning Bond who have a Registered Education Savings Plan	22%	8%
	Comments: Widespread availability was delayed until July 2006 when a significant number of financial insitutions became ready to offer the new Canada Learning Bond.		
Service Indicators			
●	Client satisfaction with the overall quality of services provided by the Canada Student Loans Program	76%	75%
●	Client (Registered Education Savings Plan providers) satisfaction with the overall quality of services provided by the Canada Education Savings Program	88%	92%
Safe, healthy, fair, stable, cooperative, productive workplaces and effective international labour standards			
Labour			
●	Percentage of collective bargaining disputes settled under Part I (Industrial Relations) of the *Canada Labour Code* without work stoppages	90%	96.9%
●	Percentage of unjust dismissal complaints settled by inspectors (Part III of the *Canada Labour Code*)	75%	74%

Rating	Program Indicators	2006–2007 Target	Results
●	Disabling injury incidence rate (DIIR) measuring the change in the rate of lost time injuries, illnesses and fatalities within federal jurisdiction industries from year to year	10% reduction over 5 years from 2001 to 2005	• All industries reduced by 11.0% • High priority industries reduced by 20.2%
●	Percentage of money collected in relation to the amount found to be owed for complaints under Part III (Labour Standards) of the *Canada Labour Code* (excluding unjust dismissal complaints)	75%	74%
Service Indicator			
●	Client satisfaction with the quality of Workplace Information Directorate data	80%	96.4% rated as good, very good and excellent
Enhanced income security, access to opportunities and well-being for individuals, families and communities			
Social Investment			
N/A	Proportion of CPP contributors who have contributory coverage/eligibility for CPP Disability	New measure	67% (males) 62% (females)
N/A	Number of CPP Disability recipients who report a return to work and leave benefits – proportion of this group of clients who have remained off benefits for six months or more	New measure	2,107
N/A	Number of partnerships concluded that provide the public with knowledge of the OAS/CPP programs	New measure	Results not available (indicator being pilot tested)
Labour Market Agreements for Persons with Disabilities (LMAPD)			
	Number of participants in programs/services under the LMAPD	199,812	Results not available
	Number and percentage of participants completing a program or service through LMAPD programming, where there is a specific start and end point to the intervention, by province	76,311 (38%)	Results not available
	Number and percentage of participants who obtained or were maintained in employment through LMAPD programming, where the program or service supports the activity	43,680 (22%)	Results not available
Opportunities Fund for Persons with Disabilities			
○	Number of clients served	5,539	4,923
●	Number and percentage of clients who obtained employment	1,711 (31%)	1,757 (36%)
●	Number and percentage of clients with enhanced employability	2,198 (40%)	2,642 (54%)
○	Number and percentage of clients who sought further skills upgrading (returned to school)	242 (4%)	223 (4.5%)

Rating	Program Indicators	2006–2007 Target	Results
Social Development Partnerships Program			
N/A	Knowledge is created and disseminated to meet the social development needs of citizens	New measure	yes
Understanding the Early Years Initiative			
N/A	Number of communities that apply through the *Call For Proposals* process during each year	New measure	33 communities applied for funding
New Horizons for Seniors Program			
N/A	Number of seniors leading and or involved in funded project activities within the community	New measure	106,745 (estimate)
Social Development Partnerships Program Office for Disability Issues			
●	Number of proposals (from contribution agreements) funded	46	61
Children and Families			
N/A	Incidence of low income – the change in the number and percentage of families and children that fall below the post-tax Low Income Cut-off, due to the National Child Benefit, in one year	Actual data to be reported	In 2003, 60,500 families with 159,000 children were prevented from living in low income due to the National Child Benefit, a reduction of 12.4% in families with low income with children
	Comments: Most recent analysis is year 2003		
N/A	Depth of low income – the change in the aggregate amount of income that low-income families would need to reach the post-tax Low Income Cut-Off, due to the National Child Benefit, in one year	Actual data to be reported	In 2003, National Child Benefit reduced depth of low income, low income gap for families with children who received National Childcare Supplement by a total of $610 million.
●	Number of children under six years of age for whom their parents are receiving the Universal Child Care Benefit	95% of all children under six years of age.	95%
Housing and Homelessness			
●	Percentage of investments directed toward the continuum of supports and services based on priorities established by the community	At least 75% invested in community priorities	100%
●	Ratio of total National Homelessness Initiative investments versus funding by type of partners for each province and territory 2003–2007	1 to 1.5	1 to 1.89
●	Increase in accessible sources of information/data on homelessness	Evidence of uptake of data/information	yes
	Comments: The National Homelessness Initiative website received an average of 1,593 "visits" per day from 2006–2007, showing an ongoing uptake of information on homelessness.		

Rating	Program Indicators	2006–2007 Target	Results
Achieve better outcomes for Canadians through service excellence			
Service Indicators			
●	Increase in number of Service Canada points of service (from 320 in March 2005)	533	587
●	24/7 availability of Internet – information and transaction (compared to March 2005 where only information was accessible online)	95%	99.3%
○	Percentage of calls answered by an agent within 180 seconds	95%	58.5%
	Comments: A number of changes were made to address the service challenges posed by summer and winter peak periods.		
⭘	Extend hours of service in Service Canada Centres (from 0 in March 2005)	60	53
●	Percentage of availability of Interactive Voice Response System	95%	98%
N/A	Maintain or reduce number of official language complaints	Actual results to be reported	23
●	Establish Official Language Minority Community Groups points of service (from 0 in March 2005)	17	33
●	Offer service in languages other than English or French (from 0 in March 2005)	10	19
●	Provide forms online in formats accessible for people with disabilities	10	11
○	Percentage of notifications sent within seven days of receipt of applications	80%	65.6%
	Comments: Results will improve with automation of claims.		
●	Percentage of Employment Insurance payments issued within 28 days of filing	80%	79.7%
	Percentage of passports delivered by Passport Canada within 20 working days of receiving the application from Service Canada, excluding mailing time	90%	Accountability rests with Passport Canada to report on results
	Comments: Memorandum of Understanding between Human Resources and Social Development Canada and Passport Canada was signed where there was an agreement to measure the "effectiveness of the Passport Receiving Agents (Service Canada)". Indicators were developed to measure critical and non-critical errors committed by Service Canada as a receiving agent.		
●	Percentage of Canada Pension Plan retirement first payment within the month of entitlement	85%	92.8%
●	Percentage of Old Age Security first payments issued within 30 days of entitlement	90%	94.1%
⭘	Percentage of pleasure craft licences issued in one visit (service not offered in March 2005)	90%	80%
○	Percentage of Social Insurance Numbers issued in one visit (service not offered in March 2005)	90%	67%
	Comments: Results for this new service showed a steady increase throughout the fiscal year from a base of 0.		
N/A	Maintain or increase client satisfaction	Actual results to be reported	Results not available (survey not conducted)

Human Resources and Official Languages Indicators

The Department has worked throughout the year to develop and implement initiatives aimed at achieving the objectives of the government's 2003–2008 *Action Plan for Official Languages* and its Horizontal Results-Based Management and Accountability Framework. For example, under the literacy initiative, teaching materials for trainers and learners were distributed in Canada's Official Language Minority Communities and efforts to increase awareness about the importance of family literacy among target clients and within these communities were undertaken. Other accomplishments include the establishment of a formal coordinators' network to strengthen collaboration between official language minority communities and departmental officials; development of promotional tools for training and information sessions to departmental employees, and participation in external workshops, meetings and conferences.

Human Resources and Social Development Canada initiated work on a departmental framework on gender and diversity. Training sessions were organised to help ensure that gender and diversity considerations are fully integrated in the Department's policies and programs and provide departmental employees with concrete tools to apply gender and diversity analysis in their work.

The Department participated in the Canadian delegation for the United Nations Commission on the Status of Women 50th session and in collaboration with Heritage Canada, two information sessions on the *Canadian Multiculturalism Act* were recently organised for departmental employees.

Departmental Corporate Management

Human Resources and Official Languages Indicators

Legend

● Target met or exceeded

O Target mostly met

O Target not met

N/A Not applicable

Employment Equity

O	Representation of visible minority persons	9.4%	9.0%
●	Representation of Aboriginal persons	3.0%	4.1%
●	Representation of people with disabilities	3.6%	8.1%
●	Representation of women	60.1%	70.8%

Comments: These results are the designated group representation percentages that will be reported in the 2006–2007 Employment Equity Annual Report.

Official language complaints

N/A	Language of work	Actual results to be reported	2
N/A	Service to the public	Actual results to be reported	5

Comments: These do not include Service Canada.

Management Priorities

Human Resources and Social Development Canada has focused on strengthening the auditing and accountability functions within the Department and on participating in the review by the Blue Ribbon Panel on Grants and Contributions.

Other priorities for the planning period include work on performance indicators to strengthen accountability and a sustained focus on governance, financial stewardship and human resources management.

Achievements Against Priorities

Plan	2006–2007 Achievements
Management Priorities	
Governance and Effective Management	
Strong leadership and communication in managing the integration of the Department	Developed and implemented communications strategies to support the integration of Human Resources and Social Development Canada.
Modernize shared corporate services	Managed the ongoing delivery of Shared Transactional Services from Service Canada. Established Assistant Deputy Minister level Shared Services Governance Tables for Human Resources, Information Technology, Administration, including one overarching Shared Service Table and a Sub-Table on Accommodations, to directly address day-to-day service delivery issues, focus on results, and identify joint work, track priorities and the achievement of milestones.
Ensure effective governance relationship among policy development, program design and service delivery through Service Canada	Assistant Deputy Ministers' committees were established to ensure discussion on program policy and service delivery issues.
Ensure effective governance of the Department's significant engagement in horizontal and intergovernmental activities	In 2006–2007, the Department worked closely with provincial and territorial governments through multilateral forums as well as through bilateral interaction in advancing policy and program priorities. The Minister and Deputy Minister of Human Resources and Social Development Canada met with their provincial and territorial social services counterparts and discussed child care, persons with disabilities and low-income families. Federal Provincial and Territorial Ministers Responsible for Seniors also met in September of 2006. The Department held regular Federal Provincial and Territorial meetings under the Forum of Labour Market Ministers. During the summer and fall of 2006, the Minister and the Deputy Minister of Human Resources and Social Development Canada consulted their provincial and territorial counterparts responsible for labour market and post-secondary education. These consultations helped inform the development of a labour market strategy and the Government of Canada's *Advantage Canada*.

Plan	2006–2007 Achievements
Implement the new communications governance model for grants and contributions	Developed new communications protocols for grant and contribution agreements designed to strengthen the consistency, coherence, collaboration, compliance and relevancy across the portfolio.
Pursue a robust internal communications program that supports a common culture, and which provides timely information and communications tools to HRSDC employees	Provided communications support and advice for over 90 corporate initiatives.
Financial Stewardship	
Enhance and sustain the integrity of financial analysis, monitoring and reporting to support managerial and parliamentary decision-making	Organizational changes were announced to strengthen policy, programs and corporate management at Human Resources and Social Development Canada. As part of these changes, a Chief Financial Officer position was created to strengthen the overall stewardship of departmental resources and to support the Deputy Minister as the Accounting Officer for Human Resources and Social Development Canada, the Labour program and Service Canada. Guidelines were also developed to improve financial forecasting processes and regular meetings of senior management officials were held to review the departmental financial situation on a portfolio-wide basis.
Improve performance measures and management of departmental risks	The Departmental Performance Measurement Framework was improved through the development of a more concise and consistent set of indicators for 2007–2008 and risk information was integrated in the 2007–2008 business planning cycle.
Strengthen integrity of programs by improving identity information and reducing error and fraud	Consistent with commitments made to the Auditor General, Service Canada continued to enhance integrity initiatives. These included 9,000 investigations of possible abuse related to Social Insurance Numbers and the launch of a Social Insurance Number Code of Practice to inform Canadians and key stakeholders of ways to use Social Insurance Numbers properly. Expanded online authentication by Canadians of their identity, particularly for online access to services, validating 11.7 million transactions against the Social Insurance Registry Piloted a Social Insurance Number Quality Management Strategy to improve identity information and reduce error and fraud, while supporting the automated processing that can improve service to Canadians, while reducing costs and processing errors.
Strengthen internal audit, in accordance with the Internal Audit Policy	Developed a three-year, risk-based internal audit plan which was approved by the Management Audit and Evaluation Committee. In addition, developed and approved a comprehensive Policy Implementation Plan to ensure the timely and appropriate implementation of the new Treasury Board Secretariat Policy on Internal Audit.

Plan	2006–2007 Achievements
Review the management of grants and contributions	Supported the work of the Independent Blue Ribbon Panel on Grant and Contribution Programs. Created a departmental, Director-level Grants and Contributions Policy and Program Committee and a Learning and Development Sub-Committee.
Through Service Canada, realize Expenditure Review savings commitments	Service Canada had set a savings target of $355 million but has exceeded the target, generating $424 million. Savings were largely realized as a result of increased activities to address the most common forms of abuse in Employment Insurance and public pension benefit programs. Savings were also achieved through reductions in procurement costs and salaries.
Human Resources Management	
Nurture a values-based organization that is fair, enabling and safe, as well as productive and principled	An Informal Conflict Management System was established, following consultations with the unions, and services were provided on an ongoing basis through contracts with Justice and Health Canada. The Department developed a Values and Ethics framework during 2006, the foundation of which was the launching of a Values and Ethics Intranet site, the establishment of a Values and Ethics Advisory Group, and a regular agenda of values and ethics events and messaging. An update on Values and Ethics was presented to unions. A union representative was invited to the Advisory Group meetings. The intranet site houses values and ethics information from all events, and useful links to Canada Public Service Agency material. The Values and Ethics Advisory Group meets bimonthly, and has representation from all branches. Agenda items include branch-specific challenges and needs, and sharing of best practises. A regular agenda of values and ethics events includes Lunch and Learn and information sessions on values and ethics-related issues identified as risk areas needing more awareness, and monthly messaging takes place via internal email. The Department strives to reinforce values and ethics as the basis of all actions, and will continue to improve upon what has been created to date to ensure values and ethics remain strong in Human Resources and Social Development Canada working culture.
Enhance the sustainability and adaptability of the departmental workforce through human resources planning, recruitment, succession management, performance management and continuous learning	The Department held learning initiatives to support learning culture, inclusiveness and diversity and to promote leadership and open communication. Action learning group pilots were established for the Administrative Services, Middle Manager and Executive groups.
Become a model employer with respect to accessibility in all aspects of the employment relationship	Supported managers in meeting their Employment Equity and Duty to Accommodate obligations by working to eliminate under-representation for members of visible minority groups and supporting the integration of Employment Equity analysis with Human Resources planning.

Corporate Risk

Over the past fiscal year, the Department continued to strengthen the practice of risk management to effectively manage ongoing strategic and operational risks in delivering programs and services. The Department faced three corporate risks in achieving its objectives and commitments for 2006–2007. A summary of the key risks and associated strategies implemented are outlined below. The three key risks are:

- building relationships with external partners and stakeholders
- recruiting and retaining competent and skilled people
- exercising appropriate governance and oversight

Building relationships with our external partners and stakeholders

At risk is the ability to engage in and build the right relationships with external partners and stakeholders to ensure timely progress in the social and economic agenda and delivery on commitments.

An important component of the work conducted by the Department involves consultation and collaboration with the public and private sectors. In 2006–2007, increased focus was placed on revitalizing relationships with partners and stakeholders. The planned results were met. A new Intergovernmental Relations Directorate was created and provides a focal point for the conduct of federal, provincial, territorial and international relations to advance federal objectives across the portfolio. Emphasis was also placed on supporting bilateral ministerial consultations with provincial and territorial governments, as well as roundtables with major post-secondary education stakeholders including businesses, students, faculty, colleges and universities.

In addition, an engagement strategy was implemented which enables on-line consultations and roundtables, participation in public activities to engage academics and experts, on-going emphasis on partnerships and collaboration with communities and stakeholders, and monitoring of media and stakeholder perspectives.

To better serve citizens, Service Canada collaborated with a number of other government departments to help reach more Canadians, such as, delivering the Canadian Agricultural Skills Service Program on behalf of Agriculture and Agri-Food Canada, receiving passport applications on behalf of Passport Canada and issuing pleasure craft licensing on behalf of Transport Canada.

Recruiting and retaining competent and skilled people

At risk is the capacity to attract competent and skilled people, and retain and develop them, which may hinder the ability to deliver on commitments and to exercise due diligence.

The Department recognized the importance of ensuring the development of a strong organization, with a skilled staff and a representative workforce. In support of this, Human Resources and Social Development Canada held learning initiatives to support strong linkages and to promote leadership and open communication. Development programs for several specialized professional communities are under development and action learning group pilots were also established. Human Resources and Social Development Canada continues to reinforce values and ethics as the basis of action with a view to promoting a healthy, supportive and respectful working environment.

In support of the re-integration of the departments, an action plan was developed and implemented in 2006–2007. In addition, an Agenda for Excellence, focusing on People, Partnerships and Knowledge, was developed to further integration objectives and to serve as a roadmap for the new Human Resources and Social Development Canada.

To ensure that staff are trained and equipped to provide quality service to Canadians, the newly launched Service Canada College provided training, development and accreditation of staff in service excellence.

Exercising appropriate governance and oversight

At risk is the ability to exercise appropriate governance and oversight on the stewardship of resources and the state of internal controls within an environment of major organizational changes and evolving accountability relationships.

Human Resources and Social Development Canada strengthened coordination between policy and program design and delivery through regular senior level meetings to ensure a strategic and corporate approach to management, policy program design and service delivery issues. A Corporate Secretariat was established with the mandate to consolidate ministerial and corporate executive support and to facilitate information sharing across the portfolio.

The Department supported the Government-wide response to the Report of the Blue Ribbon Panel and efforts to review and streamline the administration of federal government grants and contributions and created a Grants and Contributions Centre of Excellence in Human Resources and Social Development Canada.

The Department developed a forecasting guideline package and portfolio-wide briefings of the Human Resources and Social Development Canada resource situation. The Department initiated work for long-term capital planning with the identification of business requirements for major technology projects and building institutional capacity to establish a corporate investment process. In addition to these activities, a risk-based internal audit plan was also developed.

Section II Performance Discussion by Strategic Outcome

Policies and Programs That Meet the Human Capital and Social Development Needs of Canadians

Program Activity

Policy, Research and Communications

During the year Human Resources and Social Development Canada provided strategic policy, research, and communication expertise in support of the government's efforts to improve the standard of living and quality of life of Canadians, and promote their social well-being and security. A major focus of this work was supporting the government's commitments contained in the 2006 Budget and economic and fiscal update, including supporting the principle of creating new opportunities and choices for people that was announced in *Advantage Canada: Building a Strong Economy for Canadians*.

Achievements Against Priorities

Policy, Research and Communications

Plan	2006–2007 Achievements
Priority: Promote key human resources and social development policies of the Government of Canada	
Develop policies that support the Government's commitments.	Contributed to the New Government Economic Plan: Advantage Canada, by supporting development of "Knowledge Advantage" to create the best educated, most skilled and most flexible workforce in the world by: • creating new opportunities and choices for people; • increasing participation of Canadians and new Canadians in the workforce, and • enhancing opportunities to acquire knowledge and skills.
Undertake an older worker feasibility study.	In January 2007, the Minister of Human Resources and Social Development appointed an independent expert panel to undertake a study of labour market conditions affecting older workers in Canada and examine potential measures to help them, including improved training and enhanced income support, such as early retirement benefits. To support this objective, the Expert Panel on Older Workers has consulted extensively with all provinces and territories, as well as employers, labour representatives, academia and other stakeholders.
Undertake consultations on post-secondary education and training to help restore the fiscal balance.	Over the summer and early fall of 2006 the Minister and Deputy Minister of Human Resources and Social Development Canada consulted with their provincial counterparts on post-secondary education and training. Discussions focused on: • the overall objectives for post-secondary education and training; • the appropriate roles and responsibilities for post-secondary education and training; and • the development of a framework for measuring results and accountability with respect to funding support. The Department also undertook an on-line consultation that yielded 162 submissions from individual citizens and 33 from stakeholder organizations. This was followed in September and October 2006 by roundtable discussions with major associations representing universities, colleges, polytechnics and sector councils, students, faculty, business, labour and Aboriginal people. The summary findings were subsequently posted on the Finance Canada website **(http://www.fin.gc.ca/activty/consult/fiscbal_2e.html#2)**

Plan	2006–2007 Achievements
	Following these consultations, through Budget 2007 the Government of Canada legislated an $800 million increase in annual support for post-secondary education through the Canada Social Transfer beginning in 2008–2009. In addition, legislation extends the Canada Social Transfer to 2013–2014 with an annual three percent escalator starting in 2009–2010 to ensure predictable and growing support and moves the Canada Social Transfer to an equal-per-capita cash allocation starting in 2007–2008.
Work towards developing a long-term human capital policy/social policy for the 21st century.	Established a Medium-Term Policy Planning process to identify key priorities, with an initial focus on globalization, families, social safety net, life-long learning, participation and inclusion.
Priority: Develop and implement key departmental frameworks and strategies	
Develop a policy framework encompassing human capital and social development to underlie the new Department and identify key priorities.	Established an analytical base that will integrate a long-term human capital and social policy approach for the 21st century.
Develop and implement a department-wide Knowledge Management Initiative.	Developed a new approach to Human Resources and Social Development Canada knowledge gathering and dissemination to more directly inform policy and program development, including a needs assessment of data gathering and a better integration of evaluation support. A departmental Knowledge Conference was held in December 2006.
Develop an integrated HRSDC Knowledge Plan, a medium-term strategy to develop and disseminate knowledge.	A Department Knowledge Plan was drafted.
Develop the HRSDC Data Plan, a coordinated, comprehensive strategy for data and survey planning.	A draft plan was developed to strengthen the data portfolio on human resources and social development, identifying products, key data needs and concrete actions to support the Department's mandate and commitments as well as to maximize the relevance of a departmental data portfolio over time. In 2006–2007, the Department conducted a data needs assessment to support the development of the Data Plan.
Strengthen strategies to include evaluation in the policy development process.	Human Resources and Social Development Canada implemented various initiatives to strengthen evaluation support for policy and program development: • Established a dedicated unit responsible for managing and disseminating evaluation knowledge as well as fostering linkages between evaluation and policy and program activities. This unit conducted thematic studies on lessons learned from previous evaluations. • Approved an Audit and Evaluation Management Action Plan Follow-up Policy. Follow-up on all management responses included in evaluations approved between 2004–2005 and 2006–2007 is currently underway.

Plan	2006–2007 Achievements
Priority: Advance knowledge development to support informed decision-making	
Develop rigorous, integrated knowledge and evidence to identify current and emerging social policy and human resources development issues.	The two research directorates were reorganized so that the centralized departmental research in labour market and skills and social policy domains were integrated. • Draft of an integrated *Human Resources and Social Development Canada Policy Research Plan.* • Over 50 research projects were completed and 175 projects were begun. • Major progress was made in engaging Canadian academics in the conduct of the research plan. Seven separate academic researcher networks, funded by the Department and with work plans developed jointly by academics and the Department, became active during 2006–2007. • A major set of policy issue 'diagnostics' was completed to help identify current and emerging issues as input into the departmental Medium Term Planning exercise.
Develop integrated HRSDC knowledge exchange and engagement strategies to foster the sharing of high-quality knowledge and to support decision-making and on-going dialogue with external partners.	In 2006–2007, the Department advanced key knowledge exchange and engagement activities: • Hosted a departmental Knowledge Conference focusing on research, data development, evaluation, knowledge management, and monitoring and reporting. The Conference helped to strengthen the Department's capacity to create, share and use knowledge and build partnerships. • Implemented departmental publication guidelines to ensure quality control and relevance of knowledge and research content to corporate priorities. • Provided the Department with current knowledge and research information to support decision-making and venues for knowledge exchange and dissemination through such products as internal electronic knowledge newsletters, the Monthly Knowledge Series and the Knowledge Web Centre.
Support key government priorities through data, information and knowledge strategies.	The Department developed data, information and knowledge strategies to support knowledge development in priority areas (e.g., caregiving, childcare).
Develop a common knowledge base on social policy and human resources development trends.	In 2006–2007, the Department developed a set of individual and societal well-being indicators to help monitor and better understand well-being across the country. In January 2007, the Department launched a pilot version of the *Indicators of Well-being in Canada* website for use within Human Resources and Social Development Canada. These indicators help the Department monitor trends influencing well-being over time and provide the Department with evidence-based knowledge to support the development of effective and relevant policies and programs for Canadians.

Plan	2006–2007 Achievements
Conduct evaluations in key areas relating to departmental policies and programs.	Undertook work on over 48 evaluation projects in all departmental policy and program areas. Among these, the Department completed a major Summative Evaluation of Employment Insurance Part I, which provides a summary of all evaluation knowledge on Employment Insurance available to date. The Department also made progress with respect to evaluation of the Employment Benefits and Support Measures delivered under the bi-lateral Labour Market Development Agreements. In addition to the evaluation in British Columbia that was approved in 2004, the Department completed the evaluation in Nunavut and Newfoundland and Labrador. Approved two new evaluation reports (management response included): • Summative Evaluation of Employment Insurance Part 1 • Formative Evaluation of Foreign Credential Recognition Program Also produced reports produced in support of the 2005 Employment Insurance Monitoring and Assessment Report. The Department also approved the management response of four evaluations that were completed in 2005–2006: • Summative Evaluation of Employment Benefits and Support Measures Delivered Under the Canada/Newfoundland and Labrador Labour Market Development Agreement • Formative and Summative Evaluation of Nunavut Benefits and Measures Delivered under the Canada-Nunavut Labour Market Development Agreement • Formative Evaluation of the Youth Employment Strategy • Summative Evaluation on Pilot Project No. 5 (preventative withdrawal)
Promote consideration of international policy research and analysis in development of policy initiatives to address human resources and social development priorities.	In June 2006, Canada hosted a forum on the Organization for Economic Co-operation and Development's New Jobs Strategy in Toronto. The forum, which brought together Ministers of Employment from the Organization's member countries and labour market and economic experts, provided an opportunity to examine and discuss the recommendations contained in the Jobs Strategy. In June 2006, the Minister and Chair of the Council of Ministers of Education, Canada and the Minister of Education (Newfoundland & Labrador) co-led the Canadian delegation to the G8 Education Ministerial in Moscow. The meeting focused on examining education for innovative societies in the 21st century. In October 2006, the Minister, led the Canadian delegation to the G8 Labour and Employment Ministerial meeting in Moscow. The meeting focused on the links between economic growth and employment and their impact on productivity, labour market performance and social policy.
Priority: Increase engagement and collaboration with our partners and Canadians through public involvement and other activities to ensure better, innovative and complementary policy initiatives	
Implement an engagement strategy and a Public Involvement Framework to guide all HRSDC public involvement activities in a manner that is coordinated and integrated both inter-departmentally and intra-departmentally.	The Department is actively improving its capacity for public involvement through a number of mechanisms, including a Public Involvement Framework that includes departmental principles for consultation and citizen engagement. A Public Involvement engagement strategy was developed in 2006–2007, which included an annual stakeholder conference and a web-based citizens' panel.

Plan	2006–2007 Achievements
Continue to support and enhance federal-provincial/territorial relations through formal meetings, consultations and working arrangements, which supports the Government's effort to strengthen the economic union and continue to support the social union.	In Budget 2006, the Government of Canada presented its approach to restoring fiscal balance and committed to consultations with provinces and territories on fostering a competitive and efficient economic union. During the summer and fall of 2006, the Minister and the Deputy Minister of Human Resources and Social Development Canada consulted their provincial and territorial counterparts responsible for labour market and post-secondary education. The purpose of these consultations was to discuss shared objectives, roles and responsibilities, and accountability measures for Post-Secondary Education and training. The consultations also provided an opportunity to convey the importance of Post-Secondary Education and training to Canada's labour market and economic objectives. These consultations helped inform the development of the Government of Canada's *Advantage Canada*, which laid the groundwork for a labour market strategy to secure growth and prosperity, while respecting the primary responsibility of provinces and territories for delivering labour market programming, and the measures that were announced in Budget 2007. Working with provinces and territories, the Department re-initiated regular Federal, Provincial and Territorial meetings under the Forum of Labour Market Ministers. Deputy Ministers met in Toronto in February 2007. In 2006–2007, the Department continued to work closely with provincial and territorial governments building on established relationships through multilateral forums as well as through bilateral interaction in advancing its social policy and program priorities. The Minister and Deputy Minister of Human Resources and Social Development Canada met with their provincial and territorial social services counterparts and discussed child care, persons with disabilities and low-income families. Federal Provincial and Territorial Ministers Responsible for Seniors also met in September of 2006, they discussed issues including: safety and security for seniors (elder abuse), social isolation and healthy aging.
Develop strategic policy advice and opportunities to support the social and economic development objectives of the 2010 Olympics and Paralympics Winter Games through horizontally working relationships.	Horizontal working relationships were developed concerning the 2010 Games with various federal departments – Department of Foreign Affairs and International Trade, Industry Canada, Canadian Heritage - and with the Federal Government Representative Working Group, and other 2010 Games partners. Acted as the Co-Chair of the Social Development Issues Cluster, led the creation of the social development component of the 2010 Games Strategic Opportunities plan and developed opportunities for an Accessibility Showcase for the BC-Canada Beijing 2008 Pavilion. Also served as a member of the Economic Issues Development Cluster.

Plan	2006–2007 Achievements
Continue to support the Government of Canada's relationships with community sector organizations who play a key role in serving Canadians.	As the Government of Canada lead on the relationship with the community sector, the Department recognizes that the community sector plays an important role in improving the social and economic well-being of our citizens – e.g., $126 billion in economic activity, a workforce equivalent to two million full-time employed and engagement of some 12 million volunteers – thereby building a stronger, better Canada and supporting Canadians in making choices that help them live productive and rewarding lives. A key dimension of the community sector is the transformational role this sector plays in reshaping the thinking about the policy solutions to systemic socio-economic problems and in providing citizens meaningful engagement in contributing to Canadian society. It is recognized that the community sector is one of many partners required for an effective multi-sectoral collaborative approach to addressing community issues. In support of a vibrant sector, the Government of Canada has focused on creating an enabling environment for the sector to meet the needs of an aging and changing society, a growing population, and the socio-economic challenges that face our cities and communities. To this end, Human Resources and Social Development Canada continues to: collaborate with the community sector; make strategic investments to support its innovation and address the social development needs of Canadians, their families and communities; and promote its increased self-sufficiency and sustainability. In 2006/2007 HRSDC carried out this work through a number of activities, including: • Supporting the development and launch of a national campaign to raise the awareness with the public and the community sector of the community sector's substantial contribution to the economic and social fabric of the country. • Conducting consultations with community sector stakeholders on innovation and ways to support the sharing of best practices for a more effective and efficient sector through pilot projects. • Supporting the development and launch of a web-based portal to provide a national forum for community sector organizations to share information, best practices, network and develop partnerships for projects and services to Canadians. • Striking a Task Force on Community Investments to provide recommendations to promote consistent and coherent federal government funding practices to community sector organizations. • Working with sector stakeholders to develop financial tools designed to help them manage community sector organizations.

For more details on programs supporting this activity, please see Section IV – Other Items of Interest

Financial and Human Resources 2006–2007

Policy, Research and Communication

GROSS SPENDING (MILLIONS OF DOLLARS)	PLANNED SPENDING	AUTHORITIES	ACTUAL
Human Resources and Skills Development Canada			
Gross Operating Expenditures	120.1	140.1	139.4
Non-Statutory Grants and Contributions	0.0	1.5	1.5
Social Development Canada			
Gross Operating Expenditures	67.3	64.1	54.7
Non-Statutory Grants and Contributions	0.0	646.4	0.0
Total	**187.4**	**852.1**	**195.6**
FULL TIME EQUIVALENTS	936	1,143	1,143

Details by Program and Services 2006–2007

Policy, Research and Communication

Financial Resources (in millions of dollars)			
	Planned Spending	**Authorities**	**Actual Spending**
Human Resources and Skills Development Canada			
Strategic Policy and Planning	43.7	54.9	53.4
Communications and Ministerial Services	44.5	52.8	48.5
Allocated Corporate Services[a]	37.1	33.9	33.7
Other[b]	(5.2)	-	5.3
Sub-Total	120.1	141.6	140.9
Social Development Canada			
Social Development Policy and Innovation	61.7	701.9	50.8
Allocated Corporate Services[a]	5.6	8.6	3.9
Sub-Total	67.3	710.5	54.7
Total	**187.4**	**852.1**	**195.6**
Human Resources			
Total FTE	936	1,143	1,143

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[a] Corporate Services resources related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services have been prorated to each Strategic Outcome.

[b] Other category is for resources which are not directly related to the sub-activities identified.

Enhanced Canadian Productivity and Participation Through Efficient and Inclusive Labour Markets, Competitive Workplaces and Access to Learning

During 2006–2007, Human Resources and Social Development Canada worked on a number of broad fronts—supporting labour market efficiency and inclusiveness, enhancing the competitiveness of workplaces, and helping Canadians gain access to learning opportunities—toward the common goal of supporting Canada's continuing prosperity through enhanced productivity and participation. The Department's labour market, workplace skills, and learning programs complemented each other in working towards creating the best educated, most skilled and flexible labour force, and in contributing to a number of broad Government of Canada outcomes: strong economic growth, an innovative and knowledge-based economy, income security and employment for Canadians, and a fair and secure marketplace. Departmental efforts under this strategic outcome and its major program activities were consistent with the principle of creating new opportunities and choices for people that is outlined in the Government's economic plan: *Advantage Canada: Building a Strong Economy for Canadians*.

Program Activity
Labour Market

Canada has a well educated, highly skilled and mobile workforce, which has contributed to one of the most flexible and adaptable labour markets among Organization for Economic Co-operation and Development countries. Canada's performance has remained strong even though the face of the labour market has changed significantly over the past two decades. To date, the economy has shown resilience in its ability to cope with the ongoing changes.

New challenges have begun to emerge including growing labour shortages in some regions and sectors, as well as demographic challenges as the population ages.

The Department has two major program activities that assist Canadians with income support and in finding and retaining employment in support of this Strategic Outcome.

The Employment Insurance program promotes individual well being, economic stability and a flexible labour market by providing temporary income support to unemployed workers who qualify under Part I of the *Employment Insurance Act*. The program encompasses a wide range of benefits to address the needs of workers and the labour market.

Employment Programs enable Canadians, including unemployed adults and targeted groups, such as youth, Aboriginal Peoples and older workers, to develop their skills and encourage them to invest in themselves and become self-reliant. These programs and services are funded under the Consolidated Revenue Fund and Part II of the *Employment Insurance Act*.

The Department recognizes the importance of working in partnership with other federal departments and in particular with agencies, external organizations, unions, Aboriginal organizations, the voluntary sector and provinces and territories to successfully fulfill its mandate and meet the needs of unemployed Canadians.

Strategic Outcome Indicators

Labour Market

Indicators	Current Level	
Percentage of unemployed looking for work for one year or more (52 weeks and over).	2006	8.7%
	2005	9.6%
Percent of youth (15–24 year-olds) neither in the labour force nor in school.*	2006	4.82%[a]
Involuntary part-time employment as a proportion of all part-time employment.	2006	24.1%
	2005	25.6%
Employment Insurance regular beneficiaries to unemployed ratio.	2005	44.8%
	2004	43.6%
Unemployment Rates by Designated Group. (2005)	Women	7.2%
	People with Disabilities	10.7%
	Aboriginal Peoples	19.1%
	Visible Minorities	9.5%
	Older Workers	6.0%

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[a] A different methodology was used compared to previous years, and as such, historical data could not be provided.

* Census 2006 data is not yet available. The above results are based on Census 2001 data (includes Labour Force 15 years or older that are unemployed).

Our employment programming is delivered through four major Department-led horizontal initiatives: Aboriginal Human Resources Development Strategy; Aboriginal Skills and Employment Partnership program; Youth Employment Strategy; Targeted Initiative for Older Workers, and Labour Market Development Agreements. In addition to these activities, the Department helps to sustain the vitality of Official Language Minority Communities through the Enabling Fund, which enhances human resources development, increases employability and community capacity building for the official language minority communities. Details on the above-noted horizontal initiatives can be found at:

http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/dep-min/HRSDC-RHDSC/hrsdc-rhdsc_e.asp

Key accomplishments for 2006–2007 include:

- Devolution of the Labour Market Development Agreement to Ontario on January 1,2007 with required sub-agreements and systems. This devolution is consistent with the overall government direction of negotiating the transfer of Labour Market Development Agreements to all provinces per Budget 2007.
- Worked closely with other federal departments, National Aboriginal Organizations and other stakeholders to strengthen Aboriginal Human Resources Development Strategy in key areas of urban service delivery, private sector engagement, and labour market research.
- Developed draft Self-Government Labour Market Development Agreement in implementing the Yukon First Nation self-government agreement.
- Throughout the 2006–2007 timeframe, agreements for the Targeted Initiative for Older Workers were signed with Nova Scotia, Prince Edward Island, Quebec, and Yukon. Agreements with all other provinces and territories that have indicated they will participate in the initiative were signed during 2007–2008.

The delivery of the Employment Programs is primarily done through Service Canada and their role is crucial in the successful implementation of programs and delivery of services to Canadians.

There were a number of summative and formative evaluations either launched or completed in 2006–2007 related to Employment Insurance and Employment Programs. All evaluations assist the Department in ensuring that the programs remain responsive to the needs of Canadians requiring income support and/or seeking assistance in getting back to work. Evaluations undertaken in 2006–2007 include:

Evaluations launched:

- Summative Evaluation of the Youth Employment Strategy.
- Summative Evaluation of Employment Insurance 5-week Seasonal Work Pilot.
- Formative/Summative Evaluation of the New-Entrant/Re-entrant component of EI Part I.
- Formative Evaluation of Aboriginal Skills and Employment Partnerships.
- Formative and Summative evaluation of the Voisey's Bay project.
- Formative Evaluation of the Aboriginal Human Resources Development Agreements.
- Formative Evaluation of the Manitoba Labour Market Agreements for Persons with Disabilities.

Evaluations completed:

- Support for Monitoring and Assessment Report – Over ten evaluative studies focussing on Employment Insurance Part I completed for the 2006 Monitoring and Assessment Report.
- Formative Evaluation of Employment Insurance Compassionate Care Benefits (results will be made available in fall 2007).
- Summative Evaluation of Employment Insurance Part I.

Other on-going evaluation activities:

- Employment Programs – Summative evaluations of Employment Benefit and Support Measures are currently underway in several jurisdictions. Key findings from the British Columbia, Quebec, Alberta, Ontario and Newfoundland and Labrador summative evaluations are discussed in the 2006 Monitoring and Assessment Report. Other summative evaluations are currently underway and where available, findings will be presented in the 2007 Monitoring and Assessment Report.

- Audit and Evaluation Committee approved Action Plan to address recommendations in 2005 Formative Evaluation of the Youth Employment Strategy the 2005 Summative Evaluation of Employment Benefits and Support Measures Delivered Under the Canada/ Newfoundland and Labrador Labour Market Development Agreement and the 2005 Formative and Summative Evaluation of Nunavut Benefits and Measures Delivered under the Canada-Nunavut Labour Market Development Agreement.
- On-going collaborative work for the Evaluation of Federal Action Plan for Official Languages.
- Launched of the Formative Evaluation of Enabling Fund for Official Language Minority Communities.

Program Indicators

Labour Market

Indicators | **Notes**

Access

Percentage of unemployed targeted by the Employment Insurance program eligible to collect regular Employment Insurance benefits

2004 Result: 80.4%
2005 Result: 83.4%

Rate of Participation of Designated Groups and Older Workers in Employment Benefits and Support Measures:

	Rate of Participation in EBSM 2005–2006[a]	Percentage of the entire unemployed labour force[b]
Women	50.0%	45.5%
People with disabilities	4.6%	9.8%
Aboriginal persons	7.2%	6.5%
Visible minorities	6.8%	16.2%
Older workers (55 and over)	6.5%	17.3%

Adequacy

Proportion of regular entitlement collected by Employment Insurance claimants (%).

2003–2004: 60.9%
2004–2005: 59.8%

Proportion of Employment Insurance maternity/parental entitlement collected by Employment Insurance claimants.

2003–2004: 92.9%
2004–2005: 93.5%[c]

Indicators	Notes
Labour market efficiency	
Number of youth clients who return to school or become employed following an employment program intervention under the Youth Employment Strategy and proportion of these clients in the total number of action plans closed **Target:** 7,400 **Result:** 8,539 Proportion: 65.29%	These targets do not include returns to school following participation in the Summer Career Placements initiative under Summer Work Experience
Number of Aboriginal clients who return to school or become employed following an employment program intervention under the Aboriginal Human Resources Development Strategy and proportion of these clients in the total number of action plans closed **Target:** 20,500 **Result:** 23,230 Proportion: 54.17%	
Number of clients employed or self-employed following an employment program intervention, and proportion of these clients in the total number of action plans closed **Target:** 220,000 **Result:** 226,453 Proportion: 59.15%	

[a] **Source:** 2005–2006 Monitoring and Assessment Report

[b] **Source:** Census 2001

[c] New methodology used for more accurate results and consistency in method used for regular benefits

Achievements Against Priorities

Labour Market

Plan	2006–2007 Achievements
Priority: Work with provinces, territories and stakeholders to ensure that labour market programming is coherent, comprehensive and flexible	
Continue to work with the province of Ontario on preparing for the transfer of responsibility for the design and delivery of Employment Insurance-funded Employment Benefits and Support Measures under the Canada-Ontario Labour Market Development Agreement, which takes effect on January 1, 2007.	• Labour Market Development Agreement devolved to Ontario January 1, 2007 with required sub-agreements including systems development.
Develop, assess and propose options for program policies to ensure continuing relevance in a dynamic labour market based on comprehensive review of the lessons learned from program evaluations and other sources.	• Designed new policy approach for determining financial assistance to Skills Development participants to improve transparency, fairness, inclusion, and working collaboratively with Service Canada began testing new approach in Nova Scotia.
Strengthen links between active employment measures and workplace skills programs to ensure greater alignment with the demand side of the labour market.	• Released policy allowing the use of Targeted Wage Subsidy to assist unemployed apprentices experiencing difficulties finding employment related to their apprenticeship. • Enhanced policy under the Labour Market Partnerships benefit to allow for an Employer-Sponsored Training option so that workers facing job loss may be supported in training.
Continue to strengthen links with Official Language Minority Communities with a view to ensuring the vitality of their local labour markets.	• Developed a department-wide Action Plan for Official Languages • Organized six national committee meetings with federal partners and community representatives and supported in the development of a strategic plan for National Human Resources Development Committee for English Linguistic Minority. • The formative evaluation for the Enabling Fund for Official Language Minority Communities and the related governance structure is currently underway. This evaluation is examining program design, delivery and implementation including: program objectives, data collection, performance indicators, roles and capacity of all partners, horizontality aspects and achievement of short and medium-term objectives (increased capacity and accountability, development of community action plans and projects, increased leverage of resources and investments and strengthened financial partnerships, etc.). In addition, the formative evaluation will provide a follow-up to the findings and conclusions from the 2003 formative evaluation of the predecessor program, the Support Fund. The preliminary findings are planned for September 2007 and final report for December 2007.

Plan	2006–2007 Achievements
Priority: Provide advice on Employment Insurance income support to ensure it remains well suited to the needs of Canada's economy and workforce	
Monitor and assess the labour market impacts of Employment Insurance pilot projects in regions of high unemployment to inform decisions for the Employment Insurance Program.	• The labour market impacts of Employment Insurance pilot projects in regions of high unemployment were monitored and assessed. • An extended Employment Insurance benefits pilot project was implemented in June 2006. • The extended Employment Insurance benefits pilot project will continue to test whether providing additional weeks would help address the annual income gap faced by seasonal workers whose weeks of work and Employment Insurance benefits are not sufficient to provide income throughout the year, and whether it would have any adverse labour market effect on other Employment Insurance claimants.
Complete a formal evaluation of Employment Insurance Compassionate Care Benefits, introduced in January 2004, and assess the potential for policy adjustments related to the benefit.	• A formal evaluation of Employment Insurance Compassionate Care Benefits was completed in early 2007. • In June 2006 a regulatory change was made to the compassionate care benefit which broadened the definition of family member to ensure siblings, grandparents, grandchildren, in-laws, aunts, uncles, nieces, nephews, foster parents, wards or any individuals considered by the gravely ill person or his or her representative to be family members are eligible for compassionate care benefits.
Continue to review Employment Insurance Economic Regions, used to establish entitlement and benefit periods, working with new geographic data from Statistics Canada.	• New Census 2006 geography data was released by Statistics Canada in January 2007. Extensive analysis was started.
Monitor and assess the new Employment Insurance rate setting legislation to ensure it achieves the intended objectives.	• Analysis of process and results is ongoing.
Priority: Build more effective partnerships to improve Aboriginal labour market outcomes	
Strengthen and support the delivery of the Aboriginal Human Resources Development Strategy and the Aboriginal Human Resources Development Agreements across the country.	• Approximately 54,797 (includes new starts and carry-overs) Aboriginal people assisted (16,540 employed; 5,785 returned to school). • Return to work of the Employment Insurance claimants before end of benefit period: approximately $15.04M in unpaid Employment Insurance Part I Benefits; return to work of non-Employment Insurance claimants resulted in approx $5.1M in savings to social assistance. • Worked closely with other federal departments, National Aboriginal Organizations and other stakeholders to strengthen the Aboriginal Human Resources Development Strategy in key areas of urban service delivery, private sector engagement, and labour market research.

Plan	2006–2007 Achievements
	• Began development of engagement strategy for successor strategy for the Aboriginal Human Resources Development Strategy program post-2009 through examination of number of key issues related to the Aboriginal Human Resources Development Strategy programming. • Participated in the inter-departmental committee lead by Treasury Board Secretariat to develop a new Directive on Aboriginal Transfer Payments.
Foster more private sector partnerships such as the Aboriginal Skills and Employment Partnerships program, thereby improving the participation of Aboriginal people in sustainable employment.	• 9 Aboriginal Skills and Employment Partnerships projects and training plans were underway. • More than 1,300 clients were served and participated in interventions, with participants securing approximately 400 jobs in 2006–2007. • $105M announced in Budget 2007 for enhancements to Aboriginal Skills and Employment Partnerships (2007–2012).
Collaborate with other departments on Aboriginal Early Childhood Development to explore options, and develop a recommendation for a "single window" approach while supporting quality child care programs on-reserve and in the North.	• 7,500 child care spaces were subsidized in more than 400 First Nations and Inuit communities. • Participation in testing financial/reporting instruments that could lead to national roll-out leading to Single Window Model for Aboriginal Early Childhood Development.
Work with Aboriginal partners, provinces and territories and other stakeholders to develop a new approach with workable solutions to reduce poverty and narrow the gap in employment outcomes for Aboriginal peoples.	• Held six Workforce Connex Forums since January 2006 with private sector representatives, Aboriginal Human Resources Development Agreement holders, government officials, and other key stakeholders across Canada to provide information on how to tap into Aboriginal labour supply and foster new/innovative types of partnerships and collaborations for mutual benefit of the Aboriginal Human Resources Development Agreement holders, their client groups and employers. • Labour market challenges and opportunities for Aboriginal people and communities were explored in partnership with Environmental Careers Organization of Canada, Canadian Brownfield's Network, and other government departments, regarding participation in the clean-up of contaminated sites, waste management, and remediation sector. • Working with Provinces and Territories and with Health Canada to promote adoption of innovations/best practices to increase representation of Aboriginal people in the health care sector.

Plan	2006–2007 Achievements
	• With 11 federal departments and agencies, participated in workshops with territorial government departments, Aboriginal organizations, the Aboriginal Human Resources Development Agreement holders and other youth serving agencies to identify partnership opportunities to improve the social, economic and skills development outcomes of Aboriginal and non-Aboriginal youth in the territories (Framework for Action for Northern Youth) – concrete outcomes include National Aboriginal Achievement Foundation annual career fair in Yellowknife; Royal Canadian Mounted Police youth advisory committee in Yukon; Rivers to Success community plan for Inuit youth in Nunavut (major focus on skills development) and social development initiative in Nunavut to improve community safety, well-being, and reduce crime. • Aligned Aboriginal Literacy and Essential Skills component to the overarching departmental strategy. • Promoted/supported Aboriginal skills development, literacy and Essential Skills through the Pan Canadian Innovation Initiative Fund. • Engaged on Aboriginal Health Human Resources Initiative to promote integrated approach (facilitated partnerships with Métis Aboriginal Human Resources Development Agreements).
Priority: Develop approaches to reduce barriers and help vulnerable Canadians, such as youth, disabled and older workers participate in the labour market	
In consultation with partners, undertake a review of youth employment programming to ensure it is aligned with current labour market and youth needs at the national, regional and local level.	• Launched the Canada Summer Jobs Initiative. • Analysed and used up-to-date labour market information in development of Canada Summer Jobs, taking into consideration today's strong labour market (i.e., lowest level of unemployment rate in 30 years; 2006 national student unemployment rate lowest than in recent years; employers having increased difficulties filling jobs in certain areas of the country).
Achieve greater effectiveness within the Government of Canada for the Youth Employment Strategy and across all orders of government and non-governmental organizations in the development of youth programming.	• Summative Evaluation of the Youth Employment Strategy initiated to examine program relevance, success, and cost-effectiveness of the Youth Employment Strategy programming delivered by all 13 participating federal departments and agencies.
Adapt existing programs to the special labour market conditions of the North with a special focus on youth.	• Led 11 federal departments and agencies participation in workshops with territorial government departments, Aboriginal organizations, Aboriginal Human Resources Development Agreement holders, other youth serving agencies, and youth to identify partnership opportunities to improve social, economic and skills development outcomes of Aboriginal and non-Aboriginal youth in the territories (Framework for Action for Northern Youth).

Plan	2006–2007 Achievements
	• Worked with regions, provinces and territories to ensure the Employment Benefits and Support Measures program policies responded to regional labour markets (e.g. Newfoundland, Nunavut); worked with partners on the development of the Northern Youth Strategy and developed an approach to use Skills Link funds more effectively in Nunavut.
Work with other orders of government and non-governmental organizations to address urban violence for at-risk youth through employment programming.	• Built partnerships with the province of Ontario and the City of Toronto as well as with numerous federal departments and agencies as the federal lead on Social Development Committee for Tri-Level Task Force on Youth Violence. • Key results include better collaboration among policy teams at the federal level, a higher degree of coordination among all partners on the ground and the development of indicators and benchmarks for assessing progress that were agreed upon by the three orders of government.
Develop and implement an initiative to respond to short-term employment needs of displaced older workers, while undertaking a feasibility study to assess a range of measures available to assist these workers, with a view to developing a longer-term strategy.	• Consulted with provinces and territories in the development of Targeted Initiative for Older Workers. • Approval of two-pronged strategy on Older Workers and the announcement of new $70M Targeted Initiative for Older Workers. • Led extensive work with provinces and territories to raise awareness of the Targeted Initiative for Older Workers. • Terms and Conditions for the Targeted Initiative for Older Workers approved. • Throughout the 2006–2007 timeframe, agreements for the Targeted Initiative for Older Workers were signed with Nova Scotia, Prince Edward Island, Quebec, and Yukon. Agreements with all other provinces and territories that have indicated they will participate in the initiative were signed during 2007–2008.

For more details on programs supporting this activity, please see Section IV – Other Items of Interest.

Financial and Human Resources 2006–2007

Labour Market

GROSS SPENDING (MILLIONS OF DOLLARS)	PLANNED SPENDING	AUTHORITIES	ACTUAL
Gross Operating Expenditures	1,324.2	1,205.7	1,185.0
Non-Statutory Grants and Contributions	552.3	543.4	518.5
Statutory Transfer Payments	0.2	0.1	0.1
Total Gross Expenditures	**1,876.7**	**1,749.2**	**1,703.6**
EI Part I – Income Benefits	12,442.0	12,028.0	11,992.5
EI Part II – Employment Benefits and Support Measures	2,137.5	2,137.5	2,086.9
Total EI Benefits	**14,579.5**	**14,165.5**	**14,079.4**
Government Annuities and Civil Service Insurance payments	48.3	48.6	48.6
Total	**16,504.5**	**15,963.3**	**15,831.6**
FULL TIME EQUIVALENTS	13,377	12,305	12,305

Details by Program and Services 2006-2007

Labour Market

Financial Resources (in millions of dollars)	Planned Spending	Authorities	Actual Spending
Employment Insurance Benefits			
EI Benefits	12,442.0	12,028.0	11,992.5
Allocated Corporate services[a]	269.4	288.8	287.3
Other[b]	658.4	520.1	511.8
Sub-Total	13,369.8	12,836.9	12,791.6
Employment Programs			
Employment Benefits and Support Measures [c]	1,353.8	1,140.8	1,120.8
Labour Market Development Agreements Transfers [c]	987.0	1,190.0	1,157.5
Aboriginal Human Resources Development Strategy	271.3	281.5	281.4
Aboriginal Skills and Employment Partnerships	30.3	25.0	14.9
Youth Employment Strategy	321.1	300.9	287.6
Labour Market Adjustments	11.2	20.4	12.9
Official Language Minority Communities	13.6	14.0	14.0
Allocated Corporate Services[a]	131.2	140.4	139.7
Other[b]	15.2	13.4	11.2
Sub-Total	3,134.7	3,126.4	3,040.0
Total [d]	**16,504.5**	**15,963.3**	**15,831.6**
Human Resources			
Total FTE	13,377	12,305	12,305

[a] Corporate Services resources related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services have been prorated to each Strategic Outcome.

[b] Other category is for resources which are not directly related to the sub-activities identified.

[c] Includes all resources associated with EI Part II Pan-Canadian activities.

[d] This amount includes resources for the delivery of programs and services by Service Canada. For a full accounting of Service Canada's operations please refer to the Strategic Outcome, "Achieve better outcomes for Canadians through service excellence (Service Canada)".

Program Activity

Workplace Skills

Workplace Skills aims to improve Canadian economic competitiveness by fostering innovative, productive and inclusive workplaces, where workers are encouraged and supported to develop and use their knowledge, skills and abilities.

This program area promotes and encourages employers across the country to invest in the skills development of their workers based on partnerships between the federal government, provinces and territories, and stakeholders. Canada's success, and the success of individual Canadians, relies on our economic productivity. In addition, our productivity, in turn, is increasingly dependent on skills and learning.

A key component of strengthening Canada's productivity and improving quality of life involves enhancing the competitiveness of Canadian workplaces. Skilled workers contribute to this competitiveness and help drive improvements in workplace productivity through their abilities to process information, perform tasks more efficiently and effectively, and adapt to and operate new technology. They are also more skilled at generating innovations resulting in new or improved information, products, services, and production and distribution processes. Human Resources Social Development Canada's work pertaining to the Workplace Skills activity supported the Government of Canada's Outcome Area of an innovative and knowledge-based economy.

The Department, in collaboration with partners including sector councils, professional regulatory bodies, employers, unions, and provincial and territorial governments, promotes workplace-related learning and skills development and recognition that reflect the realities of the changing labour market.

Strategic Outcome Indicators

Workplace Skills

Indicators	Current Level
Percentage of adult workforce who participated in job-related formal training	27.6% (2005 – source: Survey of Labour and Income Dynamics) * 34.7% (2002 – source: Adult Education and Training Survey) 28.5% (1997 – source: Adult Education and Training Survey)
Percent of adult workforce who participated in employer-supported job-related training	20.2% (2005 – source: Survey of Labour and Income Dynamics)* 25.0% (2002 – source: Adult Education and Training Survey) 22.4% (1997 – source: Adult Education and Training Survey)
Average earnings of recent immigrant university graduates as a percentage of the earnings of Canadian-born university graduates	2000 65.0% (Source: Census data)

* **Note:** In previous publications of this report, the Adult Education and Training Survey was used as a source of data for the first two strategic outcome indicators. Due to the availability of data, the Survey of Labour and Income Dynamics was used this year in order to provide an updated source.

Service Canada delivers the Apprenticeship Incentive Grant, Temporary Foreign Worker Program, and Labour Market Information.

Main accomplishments for 2006–2007 include the following:

- The Apprenticeship Incentive Grant application process and website were launched on January 1, 2007. As of the end of March 2007, more than 4,900 applications had been received for the grant.
- The Foreign Credential Referral Office task force received approval for the design of the Office, facilitated implementation of initial operations and undertook consultations and research in support of the development of the Office.
- The Foreign Credential Recognition Program made investments towards addressing Foreign Credential Recognition issues and expanded its scope to additional occupations and sectors such as Respiratory Therapists and the Biotechnology sector.
- Investments were made towards addressing Labour Mobility issues within priority health occupations such as Medical Laboratory Technologists, Registered Nurses and Audiologists.

Each year, Evaluations are conducted to assist the Department in ensuring that its programs and services remain responsive to the needs of Canadians. In 2006–2007, there was an evaluation pertaining to the Foreign Credential Recognition Program.

Foreign Credential Recognition Program:

- A formative evaluation of the Foreign Credential Recognition Program that was completed in 2006–2007 made six recommendations to Management all of which have either been addressed or are currently being addressed. The recommendations addressed issues such as improving the performance measurement strategy and the sharing of project results. The formative evaluation and the management response can be viewed at the following websites, respectively:

http://www.hrsdc.gc.ca/en/publications_resources/evaluation/2007/sp_ah_687_02_07/page05.shtml

http://www.hrsdc.gc.ca/en/publications_resources/evaluation/2007/sp_ah_687_02_07/page03.shtml.

- The Evaluation report concluded that the Foreign Credential Recognition Program is progressing well towards accomplishing its objectives and outcomes.

Program Indicators

Workplace Skills

Indicators	Notes
Number of apprentices that received the Apprenticeship Incentive Grant. **Target:** N/A **Result:** 4,900 applications for the Grant as of March 31st, 2007.	Since this indicator is new, no target was set. Approval of Apprenticeship Incentive Grant funding occurred on March 30, 2007.
Increase in the number of trades people who are fully mobile in Canada through Red Seal endorsement. **Target:** 15,000 **Result:** 20,386 (2006)	Red Seal statistics are reported annually, based on the January to December time period.
Number of tools and processes completed to be used in verifying and recognizing foreign credentials and work experience of foreign-trained professionals. **Target:** 85 **Result:** 89	Cumulative totals from April 2004 – March 2007

Achievements Against Priorities

Workplace Skills

Plan	2006–2007 Achievements
Priority: Articulating an integrated workplace skills strategy by working with provinces, territories, key government departments and stakeholders in advancing multiple activities that include trades and apprenticeship, foreign credential recognition, labour market information, as well as sectoral initiatives.	
Further developing and strengthening Foreign Credential Recognition initiatives, including the proposed Canadian Agency for Assessment and Recognition of Foreign Credentials.	• The Foreign Credential Recognition Program made investments towards addressing Foreign Credential Recognition issues and expanded its scope to additional occupations and sectors such as Respiratory Therapists and the Biotechnology sector. • An Investment Selection Process that takes a strategic approach for selecting occupations for the Foreign Credential Recognition Program future investments was implemented • The Working in Canada tool that provides seamless integrated Labour Market Information from several departmental databases (and the backbone to the Foreign Credential Recognition Office website) was developed. • The Foreign Credential Recognition Office task force received approval for the initial design of the Office and undertook research, analysis and consultations in support of policy and program development
Implementation of the Trades & Apprenticeship Strategy including the Apprenticeship Incentive Grant.	• The implementation of the Trades and Apprenticeship Strategy progressed with the launch of the AIG application process and website on January 1, 2007. • Received more than 4,900 applications for the grant from January to March 2007. • Federal-Provincial-Territorial working groups established under the Trades and Apprenticeship Strategy are meeting objectives and timelines of work plans established in key areas: common core curriculum; language benchmarks; integration of Essential Skills into Red Seal apprenticeship training programs; integration into civilian trades workforce of retiring military trades people; and evidence-based analysis. • The Aboriginal Human Resources Development Council is forging partnerships through outreach to employers and other to promote Aboriginal participation in apprenticeships and the skilled trades.
Continuing to work with provinces and territories to improve inter-provincial labor mobility under the *Agreement on Internal Trade*.	• Forum of Labour Market Ministers Senior Officials approved 2006–2007 Labour Mobility Coordinating Group labour mobility work plan. • Forum of Labour Market Ministers' Deputy Ministers reviewed progress towards reaching 2009 compliance deadline to accelerate the removal of barriers to mobility for Canadians. • Investments were made towards addressing Labour Mobility issues within priority health occupations such as Medical Laboratory Technologists, Registered Nurses and Audiologists.

Plan	2006–2007 Achievements
Further developing and strengthening the Workplace Literacy and Essential Skills Initiative.	• Launched first Essential Skills Initiative Call for Proposals with focus on Essential Skills in and for the workplace (45 proposals received). • New National Essential Skills Workplace Service approved to provide contributions funding to assist employers in developing the Essential Skills of their employees. • Seven Essential Skills tools were developed to support HR practices in the workplace. • Conducted research that will contribute to the knowledge base for Essential Skills including an inventory of Province-Territory Essential Skills initiatives and a representative survey of 1,500 Canadian workplaces to better understand the extent to which Essential Skills is deemed important and is being implemented in Canadian workplaces.
Refining and broadening the impact of the Sector Council Program, testing new and innovative approaches to sectoral skills development.	• 93% of Sector Councils met or exceeded expected levels of performance. • The Sector Council Program withdrew funding from two sector councils and re-directed investments towards more strategic sectors to broaden impact, namely Agriculture and Supply Chain Logistics. Discussions were held with the forestry sector to assess the feasibility to establish a forestry sector council. • Labour Market Transition Initiative was initiated as a new instrument. Five pilots were launched in electricity, mining, trucking, environment, and petroleum).
Take first steps to develop common core curriculum standards for Red Seal trades, with the goal of improving the labour mobility of apprentices in Canada.	• Engaged six provinces in the project to develop common core curriculum standards for the Red Seal trades, known as the Interprovincial Program Guide project. • Conducted five Interprovincial Program Guide workshops for the Red Seal trades • Completed three Interprovincial Program Guides as of March 2007.
Through the Forum of Labour Market Ministers Labour Market Information Working Group, continue working on issues of common interest to provide Canadians with quality labour market information.	• The Labour Market Information Working Group held its 5th Annual National Labour Market Information Forum in Winnipeg, with the theme "The Power of Labour Market Information : A Roadmap for Canada's Changing Labour Market". Over 135 participants attended from Federal, Provincial and Territorial governments, academia, business, education communities, with speakers from Canada, the United States and the United Kingdom. • The Labour Market Information Training Resource package, designed for career and employment practitioners, was finalized and approved for release by the Forum of Labour Market Ministers' senior officials.

For more details relating to programs supporting this activity, please see Section IV – Other Items of Interest.

Financial and Human Resources 2006–2007

Workplace Skills

GROSS SPENDING (MILLIONS OF DOLLARS)	PLANNED SPENDING	AUTHORITIES	ACTUAL
Gross Operating Expenditures	102.9	106.9	102.9
Non-Statutory Grants and Contributions	116.4	79.3	38.6
Total	**219.3**	**186.2**	**141.5**
FULL TIME EQUIVALENTS	908	942	942

Details by Program and Service 2006–2007

Workplace Skills

Financial Resources (in millions of dollars)			
	Planned Spending	**Authorities**	**Actual Spending**
Workplace Partnerships	127.3	89.4	49.4
Foreign Workers and Immigrants	22.6	32.1	30.0
Skills & Labour Market Information	33.6	24.8	24.4
Allocated Corporate Services[a]	29.6	31.5	31.3
Other[b]	6.2	8.4	6.4
Total [c]	**219.3**	**186.2**	**141.5**
Human Resources			
Total FTE	908	942	942

[a] Corporate Services resources related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services have been prorated to each Strategic Outcome.

[b] Other category is for resources which are not directly related to the sub-activities identified.

[c] This amount includes resources for the delivery of programs and services by Service Canada. For a full accounting of Service Canada's operations please refer to the Strategic Outcome, "Achieve better outcomes for Canadians through service excellence (Service Canada)".

Program Activity
Learning

Lifelong learning is vital to the well-being of individual Canadians as well as the productivity, competitiveness and prosperity of Canada. As announced on November 23, 2006, Canada's economic plan, *Advantage Canada*, is designed to make Canada a world leader for today and future generations. It will build a strong Canadian economy and make our quality of life second to none through competitive economic advantage. The Knowledge Advantage component of this plan identifies "creating the best-educated, most skilled and most flexible workforce in the world", as one of the five key areas of focus to gain a global competitive advantage. In recent years the knowledge-based economy has increasingly been creating jobs that require a higher level of education and skills. The *Canadian Post-secondary Education: A Positive Record – An Uncertain Future* report states that, by 2013, "Two-thirds (66%) of new non-student jobs will demand post-secondary education or be in the management group"[1].

This report further elaborates that "research shows that higher education and training are strongly linked to safe communities, a healthy population and sustainable environment. Other benefits of an educated population include a greater appreciation of diversity, resulting in a stronger social cohesion".

This report also cites a Canada Millennium Scholarship Foundation study (2004) that identifies the impact on Canada's economy of investing in post-secondary education. For example, university graduates represent

Strategic Outcome Indicators

Learning

Indicators	Current Level		
Percentage of population with post-secondary diplomas/degrees (2006)	25–64 year-olds = 47.0% 25–34 year-olds = 54.8% 35–64 year-olds = 44.5%		
Percentage of adult population (aged 25–64) who participated in adult learning opportunities (2002)	36.7%		
Post-secondary participation of 18–21year-olds by family after-tax income quartile when youth were age 16 (2001).	**Family After-tax Income Quartile**	**PSE Participation University**	**PSE Participation College**
	Lowest	21%	30%
	Lower-middle	25%	32%
	Upper-middle	30%	37%
	Highest	38%	30%
	Overall	29%	32%
Proportion of adults who were attending university or college, by age group (October 2006)	**Age Groups**	**Percentage**	
	25–34	9.2%	
	35–44	3.5%	
	45–54	1.5%	
	55–64	0.6%	
	Overall 25–64	3.7%	

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[1] http://www.ccl-cca.ca/NR/rdonlyres/BD46F091-D856-4EEB-B361-D83780BFE78C/0/PSEReport2006EN.pdf#page=24

16.1% of the population, provide 33% of income tax paid and consume 9.1% of government transfers, such as employment insurance or social assistance. A similar percentage of the population (19.2%) that have less than high school provide much less (8.8%) of income tax paid, and consume considerably more (35.1%) of government transfers. This suggests that a greater investment in post-secondary education could yield a substantial benefit to the economy with more income tax paid and less government transfers.

Human Resources and Social Development assists Canadians in accessing the learning opportunities they need to increase their skill levels and participate more fully in a knowledge-based economy and society. The Department fosters a culture of lifelong learning by:

- promoting awareness of the importance of lifelong learning and the need to save, plan and pay for post-secondary education;
- facilitating access for students to post-secondary education and adult learning opportunities;
- collaborating with provincial and territorial governments and other key stakeholders on the delivery of learning programs and services; and
- researching and disseminating information on the benefits of learning for individuals and society

As part of its mandate, the Department works with Service Canada, provincial and territorial governments, foundations, universities, financial institutions and other key stakeholders. The Department also manages Horizontal Initiatives, including the Canada Student Loans Program.[2] At the beginning of 2006–2007 the Department had agreements with four foundations.[3] Three of these foundations – the Canadian Council on Learning, the Canada Millennium Scholarship Foundation and the Peter Gzowski Foundation for Literacy received one-time funding in prior years, while the Winnipeg Foundation has received cost-matched funding on an annual basis ending September 30, 2006. The funding agreement with the Read to Me! Foundation also ended on September 30, 2006. The funding agreements for the latter two foundations ended due to the expiry of the terms and conditions of the National Literacy Program and the approval by Treasury Board Secretariat of new terms and conditions for the Adult Learning, Literacy and Essential Skills Program.

The Learning program activity manages relations between the various participating organizations, develops policies and guidelines to ensure the relevance and effectiveness of its programs, works to strengthen partnerships with provincial and territorial governments and stakeholders and introduces changes that contribute to streamlining the delivery of the programs. Many of these changes originate from budget announcements and recommendations from evaluations and the Office of the Auditor General reports. Human Resources and Social Development Canada also works with Service Canada in managing and continuously improving program delivery. This partnership, which primarily focuses on the provision of technical support in the areas of human resources, communication, systems and call centres, enables the delivery of the Learning Branch's programs.

The largest program of the Learning Program Activity is the Canada Student Loans Program which helps to lower financial barriers for those with a demonstrated financial need. In 2006–2007 approximately 461,500 borrowers benefited from the Canada Student Loans Program. Approximately 49,600 Canada Study Grants and 39,000 Canada Access Grants were awarded to students to increase the participation of under-represented groups in post-secondary education.

In order to ensure financial integrity, the Canada Student Loans Program worked with its partners, an external audit firm, Integrated Provinces and Service Canada to deliver 30 audit reports for the year ending March 31, 2007. These reports were part of annual audits of the two Service Providers and they serve to provide assurance on the financial statements of the Program, as well as compliance with the Integration Agreements between the Federal Government and the four Integrated Provinces. Results of the audits were very positive.

The 2007 Report on Federal Loans and Grants for Post-Secondary Education by the Office of the Auditor General found that the Canada Student Loans Program is generally well managed. It noted that "The Department has the necessary controls in place for disbursing loans and grants; it also obtains reasonable assurance that its partners in delivering the Program are fulfilling their responsibilities". However, the report noted that a clear strategy for measuring improved access to post-secondary education was needed. While developing national-level indicators is a challenge as not all provinces have the same availability of data, the Department is committed to developing a performance measurement framework to address this. The report also found that the Department is taking steps to make prospective post-secondary students and their families more aware of the financial assistance available to them. As an example of this, the Canada Student Loans Program ran year two of the Pan-Canadian Communications Campaign from September 2006 until March 2007. Advertisements ran federally in national magazines and on-line parenting websites. Participating provinces and territory also ran advertisements in newspapers, radio, billboards and cable television.

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[2] **http://www.tbs-sct.gc.ca/est-pre/estime.asp**

[3] **http://www.tbs-sct.gc.ca/est-pre/estime.asp**

Students can also receive funding from the Canada Millennium Scholarship Foundation. The objectives of the Foundation are to improve access to post-secondary education for all Canadians, especially those facing economic or social barriers; to encourage a high level of student achievement and engagement in Canadian society; and to build a national alliance of organizations and individuals around a shared post-secondary agenda. The Canada Millennium Scholarship Foundation distributes $325 million in the form of bursaries and scholarships each year. Since 2000, the Foundation has delivered more than half a million bursaries and scholarships worth more than $1.5 billion to students across Canada. The Office of the Auditor General 2007 Report on Federal Loans and Grants for Post-Secondary Education found that the Canada Millennium Scholarship Foundation's bursary programs are well managed and that the Foundation has the necessary controls in place to ensure that eligibility for bursaries is assessed correctly and that payments are issued in the right amounts to the right people.

The Learning program activity continued to provide supports and incentives for Canadians to encourage savings for post-secondary education through the Canada Education Savings Program. In 2006–2007, the Department finalized the implementation of the Canada Learning Bond and changes to savings match rates following the recommendations of the formative evaluation completed in April 2003 and the Government's commitment to provide more support for education savings for low-income families. The Learning program activity has enabled Canadians to access opportunities in support of lifelong learning by providing education savings incentives through partnerships with Registered Education Savings Plan providers. Furthermore, the Department undertook various activities to increase awareness and uptake of the Canada Education Savings Program through community outreach activities and events across the country delivered through Service Canada. A second formative evaluation, that was originally scheduled for 2006–2007, will be conducted in 2007–2008 in order to have sufficient data on the Program changes to complete the evaluation. The overall objectives of this evaluation will be to provide information on the design, delivery and early impacts of the changes to the program implemented since 2005.

As a result of the Canada Education Savings Program, families have been saving more for their children's post-secondary education at a younger age. Since 1998, the average age at which children receive their first Canada Education Savings Grant has dropped from 8 years old to 4.3 years old in 2006. During that same time frame, there has been a dramatic increase in Registered Education Savings Plan savings from $4 billion in 1998 to $22 billion in 2006.

The Department implemented the Government's commitment to adult literacy through an integrated program, the Adult Learning, Literacy and Essential Skills Program. The Adult Learning, Literacy and Essential Skills Program was created through the integration of the National Literacy Program, the Office of Learning Technologies and the Learning Initiatives Program in April 2006. The Effective Spending Measures, announced on September 25, 2006 re-targeted federal investments to achieve concrete results and measurable outcomes for adult Canadians who want the opportunity to improve their learning and literacy skills. In 2006–2007, the Adult Learning, Literacy and Essential Skills Program supported 166 projects focussed in four strategic activity clusters including knowledge generation, capacity-building, innovation and demonstration projects, and promotion and public awareness. In addition, the Adult Learning, Literacy and Essential Skills Program provided support to 16 provincial or territorial literacy coalitions and 7 national literacy organizations. Results of an interim evaluation of the National Literacy Program and of phase 1 of a summative evaluation of the Office of Learning Technologies completed in 2007 will be used to support results-based management and accountability of the Adult Learning, Literacy and Essential Skills Program.

In 2006–2007, key accomplishments included:

- Ensured continuity of the delivery of the student loans program by completing the Canada Student Loan Program Service Provider Re-procurement process and initiated transition to new Service Provider, which will result in improved service to borrowers and substantial savings in program administration.

- Launched new communication plan for 2006–2008 to promote planning and saving for education and to increase uptake of the Canada Education Savings Program.
- Achieved the targeted Canada Education Savings Grant uptake of 34%.
- Achieved 92% client satisfaction rate from Registered Education Savings Plan promoters of the Canada Education Savings Program services, an increase from the 2004 survey.

Program Indicators

Learning

Indicators	Notes
3-year loan default rate (direct loans only for 2006–2007) **Target:** 26% **Result:** On track to meet targeted 3-year result (actual available in 2009–2010)	The 3-year loan default rate tracks the default rate of loans in the first three years after entering repayment. The Canada Student Loans Program offers a number of measures to assist borrowers in managing their Canada Student Loan debt, including an extended repayment period, interest relief and debt reduction. The intent is to provide short and long-term assistance to borrowers who are experiencing financial difficulty in meeting their repayment obligations. The Program has also put in place a series of portfolio performance improvement initiatives and strategies in the past three years, including increasing awareness of repayment obligations and options. Currently all key performance indicators point to lower cohort default rates in the years to come. The 3-year default rate for 2003–2004 cohort was 28%. The preliminary estimate for the 2004–2005 cohort is 18%. There is evidence to indicate that performance of the 2005–2006 will improve. Based on this trend, it is anticipated that the target for the 2006–2007 cohort will be exceeded.
Number of Canadians who have ever received a Canada Education Savings Grant and who are attending post-secondary education in the current fiscal year **Target:** 192,000 **Result:** 190,000 (calendar year)	This year's result is 1% short of the target.
Percentage of Canadians under 18 years of age who have ever received a Canada Education Savings Grant **Target:** 34% **Result:** 34%	–
Percentage of Children eligible for the Canada Learning Bond who have a Registered Education Savings Plan **Target:** 22% **Result:** 8%	This target was first established when the Program was launched in 2005. It was based on an estimate of Registered Education Savings Plan savings patterns of low-income families in 2004. As a new initiative, the Canada Learning Bond required changes to the delivery network and awareness of its availability as a benefit for low-income families. It was only in July 2006 that a significant number of financial institutions became ready to offer the new Canada Learning Bond. This delayed the widespread availability of the Canada Learning Bond to eligible children. Throughout 2006–2007, the Department promoted awareness by sending letters to families of newly eligible children and engaging in other communication activities to encourage greater Canada Learning Bond participation.

Indicators	Notes
	As a result, in 2006–2007 the number of Canada Learning Bond beneficiaries increased by 34,497 from 3,771 in 2005–2006. Cumulatively, this means there have been 38,268 beneficiaries paid, which represents 8% of those eligible for the Canada Learning Bond.
Service Indicators	
Client satisfaction with the overall quality of services provided by the Canada Student Loans Program **Target:** 76% **Result:** 75%	Client Satisfaction ratings were 75% in the 2006–2007 loan year, which is the same rating as in the 2005–2006 loan year. Because the margin of error of this client satisfaction survey is 2.6%, statistically there is no difference between the target of 76% and the level achieved in 2006–2007.
Client (Registered Education Savings Plan providers) satisfaction with the overall quality of services provided by the Canada Education Savings Program **Target:** 88% **Result:** 92%	Human Resources and Social Development Canada undertook a client satisfaction survey with promoters of Registered Education Savings Plan and the Canada Education Savings Program who received service during the 12-month period preceding the survey. A total of 50 interviews were conducted by telephone with clients with the result that 92% of the surveyed clients expressed satisfaction with the overall quality of service they received, with 50% very satisfied.

Achievements Against Priorities

Learning

Plan	2006–2007 Achievements
Priority: Continue to assess policy and program options in order to address financial and non-financial barriers to Post-Secondary Education access and to lifelong learning	
Ongoing review of the Canada Student Loans program, including consideration of the needs assessment process.	Initiated significant work towards the simplification of the Canada Student Loans Program needs assessment process.
Implementation of the Budget 2006 parental contribution change as it relates to the Canada Student Loans Program.	Implemented the Budget 2006 measure to expand eligibility for Canada Student Loans through a reduction in the expected parental contribution.
Complete review of supports for debt management and assistance to part-time learners.	Completed research, advanced knowledge and policy development work related to debt management measures (e.g. revision of terms, Interest Relief, Debt Reduction in Repayment, and permanent disability benefit) and supports for part-time students. The pros and cons of current supports to part-time learners were reviewed, focusing on developing a common understanding of the needs and motivations of part-time students.
Continue diagnostic work with the Provinces and Territories on the appropriate mix of loans, grants, and debt management instruments to address the needs of students from low and middle-income households.	Conducted ongoing research, knowledge and policy development related to students from middle-income families. Extensive research and diagnostic work was also completed on disadvantaged groups, including Aboriginal, rural, disabled, visible minorities and recent immigrants, student parents, and low income. Work in both of these areas has enabled identification of data and knowledge gaps that are being addressed.
Priority: Implement the Adult Learning, Literacy and Essential Skills Program and finalize the implementation of the Canada Learning Bond	
Complete the development of, and implement, the Adult Learning, Literacy, and Essential Skills Program building on the strengths of the National Literacy Program, the Office of Learning Technologies Program and the Learning Initiatives Program, with common objectives, outcomes, and processes.	Launched and implemented the Adult Learning, Literacy and Essential Skills Program.
Strengthen federal leadership in promoting lifelong learning, literacy and essential skills development and reducing non-financial barriers to learning by increasing public awareness, building the research and knowledge base for long-term change, supporting learning initiatives in areas of federal priority, and enhancing accountability and outcome measurement.	The Department initiated work on re-targeting future federal investments to national priorities and achieving concrete results and measurable outcomes for adult Canadians who want the opportunity to improve their learning and literacy skills. In 2006–2007, the Adult Learning, Literacy, and Essential Skills Program signed 155 projects in this area. Initiated a project to develop a Performance Measurement Strategy for the Learning program activity. The resulting logic model and performance indicators will be used to enhance outcome measurement and accountability.

Plan	2006–2007 Achievements
Implement measures to increase Canadians' awareness of the Canada Learning Bond, and the importance of planning and saving for post-secondary education, including the Education Savings Incentive Pan-Canadian Community Outreach.	Finalized the implementation of the Canada Learning Bond. By March 2007, forty-seven Registered Education Savings Plan providers had signed agreements with the Department and upgraded their systems to make the Canada Learning Bond widely available. As a result, there was a considerable increase in uptake in 2006–2007. In March 2007, the Department launched a national advertising campaign promoting the importance of planning and saving for a child's education and sent letters to all families eligible for the Canada Learning Bond. As well, inserts describing the Program were sent to 3.4 million families in the Canada Child Tax Benefit notices in July. Results for Canada Learning Bonds are in line with those experienced when Canada Education Savings Program first started in 1998. Two projects were initiated under the Education Savings Incentive Pan Canadian Community Outreach.
Continue working with the Province of Alberta to deliver the Alberta Centennial Education Savings Plan.	Canada Education Savings Program solidified a partnership with the government of Alberta and is delivering the Alberta Centennial Education Savings Plan on its behalf.

Other Achievements in 2006–2007

- Laid the groundwork for the review of the Canada Student Loan Program announced in Budget 2007.
- Ensured ongoing partner compliance with Canada Education Savings Program rules through compliance reviews and grant payment monitoring.
- Concluded the negotiation of the new International Academic Mobility European Union-Canada cooperation program in Higher Education, Training and Youth (2006–2013).
- Facilitated provincial collaboration to establish Registered Education Savings Plans for children in care.
- Undertook negotiations with the Governments of British Columbia and Quebec on the delivery of provincial savings programs modeled on Canada Education Savings Grants.
- Negotiated and implemented an integrated Collections agreement between the Canada Student Loan Program and Newfoundland and Labrador to streamline the collections activities for loans to borrowers from that province.
- Review of all the Canada Student Loans Program's Guidelines and Procedures documents used for the delivery of the Program in preparation for the transition to a new Service Provider.
- As a means to continuously improve our Program, a Summative Evaluation of the Canada Student Loans Program is being held over a 5-year period from 2006–2007 to 2010–2011, focusing on a different policy aspect of the program each year. The results of the first year indicate that the rationale for the program is still valid and the program appears to achieve objectives.

For more details relating to programs supporting these activities, please see Section IV – Other Items of Interest

Financial and Human Resources 2006–2007

Learning

GROSS SPENDING (MILLIONS OF DOLLARS)	PLANNED SPENDING	AUTHORITIES	ACTUAL
Gross Operating Expenditures	162.5	162.5	150.6
Non-Statutory Grants and Contributions	45.1	41.6	27.3
Statutory Transfer Payments	1,019.6	874.5	874.5
Total Gross Expenditures	**1,227.2**	**1,078.6**	**1,052.4**
Loans disbursed under the *Canada Student Financial Assistance Act*	981.5	1,231.9	1,231.9
Total	**2,208.7**	**2,310.5**	**2,284.3**
FULL TIME EQUIVALENTS	589	624	624

Details by Program and Services 2006–2007

Learning

Financial Resources (in millions of dollars)			
	Planned Spending	**Authorities**	**Actual Spending**
Student Financial Assistance	1,486.2	1,689.6	1,682.2
Canada Education Savings Program	634.2	537.5	536.1
Adult Learning, Literacy and Essential Skills Program	51.8	45.8	31.1
International Academic Mobility	4.0	3.9	2.7
Allocated Corporate Services[a]	25.0	26.6	26.5
Other[b]	7.5	7.1	5.7
Total	**2,208.7**	**2,310.5**	**2,284.3**
Human Resources			
Total FTE	589	624	624

[a] Corporate Services resources related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services have been prorated to each Strategic Outcome.

[b] Other category is for resources which are not directly related to the sub-activities identified.

Safe, Healthy, Fair, Stable, Cooperative, Productive Workplaces and Effective International Labour Standards

Program Activity

Labour

Labour laws and standards are critical to the successful functioning of private and public sector organizations, and equally important to the personal and family lives of the vast numbers of individuals who go to work every day. Labour law and policy define and structure the relationship between employers and employees. Employees may deal with employers as individuals or organized into legally recognized unions. Labour law and policy also deal with the basic work environment, ensuring it is safe, healthy and productive and maintains a fair balance of employer and employee rights and responsibilities.

The Labour Program's federal mandate reaches an estimated 46,000 Canadian workplaces and up to 1,132 million employees (approximately 8.5% of Canadian workers), is legislative in nature and is limited to the industries that fall under the jurisdiction of Parliament for labour matters. The federal labour jurisdiction comprises sectors of key importance to the Canadian economic infrastructure including transportation, communications and banking, as well as federal Crown Corporations and industries declared by Parliament to be for the general advantage of Canada, such as grain handling and uranium mining.

The Labour Program serves the Canadian public and supports departmental objectives by fostering cooperation, coordination and knowledge sharing among Canadian governments and partners (workers' and employers' organizations) on labour issues. By providing dispute resolution and dispute prevention assistance to trade unions and employers under federal jurisdiction, the Labour Program helps to foster constructive and harmonious labour-management relations and contributes to cooperative and productive workplaces throughout Canada.

Labour legislation sets out minimum labour standards; strives to prevent accidents and injury to health in the course of employment through enforcement of occupational health and safety protections; ensures the protection, conservation and minimization of risks to life and property due to fire; and works to remove barriers in the labour market. The Program also seeks to ensure equitable employment opportunity for all Canadians and provide compensation benefits to employees of federal departments, agencies and Crown Corporations for employment-related injuries and illnesses.

Strategic Outcome Indicators

Labour

Indicators	Level
Percentage of total working days lost due to work stoppages (federal jurisdiction)	Less than 1% (0.04%)
Representation of designated groups in all occupations and workforce availability, employers covered under the Legislated Employment Equity Program	**Representation of Designated Groups (2004)** Women 43.3% Aboriginal Peoples 1.8% Visible Minorities 14.1% People with Disabilities 2.7% **Workforce Availability (2001)** Women 47.3% Aboriginal Peoples 2.6% Visible Minorities 12.6% People with Disabilities 5.3%

The Program conducts and disseminates research and information on national and international labour laws and labour matters. It promotes internationally-recognized core labour standards that protect workers in Canada and abroad and negotiates and manages international labour cooperation agreements that support Canada's trade agenda and, consequently, Canadian businesses and prosperity.

Key 2006–2007 accomplishments include:

- 96.9% of collective bargaining disputes were settled without a work stoppage.
- The number of days not worked due to labour disputes in 2006–2007 represented less than half of one per cent (0.04%) of the total available work time in the federal private sector.
- The Minister of Labour introduced and Parliament passed emergency back-to-work legislation to ensure the continuation of rail services at the Canadian National Railway Company after the union membership rejected a tentative settlement reached with the assistance of the Chief Mediator.
- The development of new Pay Equity Program activities were announced, including education, promotion, specialized mediation services and monitoring to help build fair workplaces where men and women working in the same establishment are paid the same for doing work of equal value.
- The Minister of Labour tabled, in Parliament, the *Annual Report – Employment Equity Act* 2005 on June 15, 2006. In total, 520 employment equity reports submitted by federally-regulated private sector employers were validated and consolidated in the summer of 2006. Tools to assist employers in the fulfillment of their reporting obligations (e.g., variance tool, narrative report template) were developed and distributed.
- The Minister of Labour hosted a major roundtable drawing together leading employers, unions and academics to examine the contribution of good workplace practices related to economic productivity.
- Federal, provincial and territorial Ministers responsible for Labour adopted a joint statement affirming their commitment to the effective integration of occupational health and safety concepts and competencies into education and training, including, where appropriate, through elementary, secondary and post-secondary education systems.
- The effectiveness of Canada's international labour agreements increased with Quebec formally agreeing to accept, in its jurisdiction, the obligations of the Canada-Chile and Canada-Costa Rica agreements, bringing another 23% of the Canadian labour force under the auspices of these agreements.
- The Minister of Labour received a major report from the Federal Labour Standards Review Commission on modernizing Part III of the *Canada Labour Code* and responded to it by meeting with stakeholders to obtain their views, identifying priorities for administrative change, and launching development work on potential options for legislative change.
- The Minister of Labour supported the implementation of a new Wage Earner Protection Program, which would protect workers from loss of wages in the event of their employer's bankruptcy, by drafting and proposing technical amendments to the *Wage Earner Protection Program Act* to ensure that it operates fairly and effectively, and by developing the necessary regulations and program design.
- The International Trade and Labour grants and contributions program funded over $1 million in labour capacity-building programming, mainly in Canada's current and future trading partners in the Americas. Key project themes included preventing child labour in Central America, migrant worker outreach in the Caribbean, harmonizing labour legislation in the Caribbean, strengthening occupational health and safety in Central America, Belize, and the Dominican Republic, and supporting the Inter-American Conference of Ministers of Labour.
- Canada hosted a major conference on migrant workers' rights and temporary workers' programs, under the auspices of the Inter-American Conference of Ministers of Labour, with nearly 30 countries participating.
- Negotiations towards new international labour agreements advanced, particularly with Korea and Singapore.
- The revised Operations Program Directive (OPD) governing the investigation of refusals to work under the *Canada Labour Code*, Part II, and the guidelines that interpret key terms in connection with these investigations, such as "danger" and "normal condition of employment", took effect on March 7, 2007. The purpose of these revisions was to assist in the interpretation of the definition of danger, clarify the interpretation of normal condition of employment and ensure consistent application on the basis of the recent case law.

Program Indicators

Labour

Indicators	Notes
Percentage of collective bargaining disputes settled under Part I (Industrial Relations) of the *Canada Labour Code* without work stoppages **Target:** 90% **Result:** 96.9%	
Percentage of unjust dismissal complaints settled by inspectors (Part III of the *Canada Labour Code*) **Target:** 75% **Result:** 74%	The result was less than 75% because many of the parties in the unjust dismissal process are becoming more litigious and are requesting an adjudicator to decide their case, rather than accept the assistance of an inspector.
Disabling Injury Incidence Rate measuring the change in the rate of lost time injuries, illnesses and fatalities within federal jurisdiction industries from year to year. **Target:** To reduce the Disabling Injury Incidence Rate by 10% over five years (from 2001–2005) in identified high priority industry sectors through targeting proactive inspections and other interventions focussed on education and prevention. **Result:** Percentage decrease in the Disabling Injury Incidence Rate from 2001–2005 • All industries reduced by 11.0% • High priority industries reduced by 20.2%	
Percentage of money collected in relation to the amount found to be owed for complaints under Part III (Labour Standards) of the *Canada Labour Code* (excluding unjust dismissal complaints). **Target:** 75% **Result:** 74%	The result was less than 75% because companies in Ontario and Quebec filed for bankruptcy protection. As the companies are under the protection of the *Bankruptcy and Insolvency Act*, the Labour Program turned to the Directors for payment of the amounts owing, which attempt was not successful. This issue will be considered during the review of Part III (Labour Standards) of the *Canada Labour Code*.
Service Indicator	
Client satisfaction with the quality of Workplace Information Directorate data. **Target:** 80% **Result:** 96.4%	96.4% rated the quality of Workplace Information's products as good, very good and excellent
Additional Measures	
The unionization rate defined as a proportion of non-agricultural workers who are covered by a collective agreement (national)	31.6% (2006)
Time loss injuries per 100 workers (all jurisdictions)	2.1 (2005)
Direct compensation cost per worker	$418 (2005)

Achievements Against Priorities

Labour

Plan	2006–2007 Achievements
Priority: Complete a comprehensive review of Part III (Labour Standards) of the *Canada Labour Code*	
Receive the final report from the independent Commissioner.	• Report received in October 2006. • The Minister of Labour has met with key stakeholders to obtain their views regarding the report's recommendations on how to modernize labour standards in the federal jurisdiction.
Develop policy options in response to the recommendations.	• Priorities for administrative changes in response to the report's recommendations have been identified and analysis of potential options for legislative change.
Priority: Develop policy options for a modernized Federal Workers' Compensation System including a Federal Disability Management Strategy	
Complete research and other preparations required to reform the system.	• An examination of current agreements in place with provincial Workers' Compensation Boards and national and international models and approaches was launched. • Engaged key expertise in the field to study and advise on the feasibility and benefits of program, operational and delivery improvements and changes.
Priority: Complete preparations for the Wage Earner Protection Program	
Draft regulations and prepare for implementation of the new Act.	• Drafting instructions were provided to the Regulations Section of Justice Canada. • Developed program design, audit and evaluation frameworks, risk assessment, and privacy impact assessment.
Priority: Parliamentary review of the *Employment Equity Act*	
Draft the Minister of Labour's five-year report, which would include a socio-economic analysis of current conditions among the designated groups, a presentation of program administrative data on progress, and accomplishments towards the recommendations made by the Committee in the previous review.	• A presentation document was drafted, along with supporting material for the Minister of Labour. • A report on progress of the implementation of the recommendations in the previous review was drafted with input from all federal partners (intra and interdepartmental) with responsibility for implementation of the recommendations.

Other Achievement 2006–2007

- The first phase of training related to the proactive administration of the Pay Equity Program has taken place. Employers have been contacted, specialized mediation services are now available, and a number of printed products are in the approval stage.
- The Minister of Labour and the Minister of Natural Resources collaborated with the government of Nova Scotia to create a single regulatory and administrative regime that will apply to the Donkin Mine.

  Officials of the federal Labour Program, Natural Resources Canada and the provinces of Nova Scotia and Newfoundland and Labrador agreed, in principle, to a regime for the effective enforcement of occupational health and safety in the Atlantic offshore oil and gas industry.
- One Operational Program Directive and two Interpretations Policies and Guidelines were revised and developed to recognize the changing interpretations by the Appeal authorities of the definition of "danger" in Part II of the Canada Labour Code and the impact these interpretations have on employees' right to refuse dangerous work.
- 75 awareness sessions were delivered to employers across Canada as part of the implementation of the Racism-Free Workplace Strategy (a component of the Canada Action Plan Against Racism) providing operational tools, addressing potential racism-related issues in the workplace, and building a network of community resources.
- Completed a draft Aboriginal Labour Affairs Strategy that will focus on relationship-building with Aboriginal communities, implementing labour initiatives sensitive to cultural, economic, and geographic context, and fulfilling a policy research agenda to support the strategy.
- A Canada where service delivery is focused on citizen needs through:
  - the creation of a more inclusive and user-friendly Labour Program web site for the use of all our partners and stakeholders, which allows for the availability of a wide range of labour information. and;
  - the introduction of a 1-800 line for ready access to the National Labour Operations Directorate, at all times of the day and from all Canadian locations, to further enhance the delivery of our services.

For more details on programs supporting this activity, please see Section IV–Other Items of Interest.

Financial and Human Resources 2006–2007

Labour

GROSS SPENDING (MILLIONS OF DOLLARS)	PLANNED SPENDING	AUTHORITIES	ACTUAL
Gross Operating Expenditures	90.6	91.3	91.3
Non-statutory Grants and Contributions	3.9	3.9	2.7
Statutory Grants and Contributions	28.7	0.0	0.0
Workers' Compensation Payments	126.0	136.4	136.4
Total	**249.2**	**231.6**	**230.4**
FULL TIME EQUIVALENTS	904	863	863

Details by Program and Services 2006–2007

Labour

Financial Resources (in millions of dollars)			
	Planned Spending	**Authorities**	**Actual Spending**
Federal Mediation and Conciliation	7.9	8.1	7.1
National Labour Operations	171.1	183.0	183.0
International and Intergovernmental Labour Affairs	5.9	6.0	6.0
Workplace Policy and Information	36.1	4.2	4.2
Allocated Corporate Services[a]	26.8	28.5	28.3
Other[b]	1.4	1.8	1.8
Total	**249.2**	**231.6**	**230.4**
Human Resources			
Total FTE	904	863	863

[a] Corporate Services resources related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services have been prorated to each Strategic Outcome.

[b] Other category is for resources which are not directly related to the sub-activities identified.

Enhanced Income Security, Access to Opportunities and Well-Being for Individuals, Families and Communities

The Department continued helping individuals, families, and communities achieve their potential in contributing to Canadian society and sharing in the opportunities society provides. Challenges require that the Department be flexible in finding the most effective ways to provide assistance. At times, this involved providing direct assistance, such as the financial benefits paid to parents to help them choose the kind of care they want for their young children. Other approaches included working horizontally with other federal departments and orders of government; working with groups at the community level; tapping the capacity of non-profit organizations; or generating awareness about issues among the public at large. Some challenges, such as enhancing the income security of seniors, affect a broad segment of the population and involved providing pensions to millions of people; other challenges called for a more tailored approach to address particular circumstances, such as providing the assistance that helped more than 2,500 people with disabilities improve their employability. A new Homelessness Partnering Strategy that increases horizontality and partnerships was developed to improve access to the range of services and programs that homeless individuals and families need to move toward self-sufficiency. Working towards this strategic outcome also contributed to a number of Government of Canada outcomes, such as A Diverse Society that Promotes Linguistic Duality and Social Inclusion, Safe and Secure Communities, Income Security and Employment for Canadians, Strong Economic Growth and an Innovative and Knowledge Based Economy.

Program Activity
Social Investment

Canada's economic prosperity, its vibrant labour market, and the positive outlook for our country's future are closely linked to the security and well-being of Canadians, their families and communities.

The means by which individuals attain income security, care for and support a family and participate in their community contributes to the extent of their well-being and inclusion in Canadian society. In 2006–2007, the Department continued to build and enhance social investments for Canadians.

Despite current economic successes, Canada still faces many social challenges that require our full attention and support. Individuals, families and communities are experiencing diverse impacts from a variety of different sources, such as changing family structures and dynamics, an aging population, and the challenge of securing adequate income. As a result, the Department worked with stakeholders, provinces and territories to address and develop collaborative solutions to these challenges.

Key areas of accomplishment in 2006–2007 include:

- Introduction and passage of legislation to amend the *Canada Pension Plan* and the *Old Age Security Act* (Bill C-36).
- Extended the Labour Market Agreements for Persons with Disabilities for one-year, to March 31, 2008, with annual funding of $222 million made available to the provinces/territories.
- Selected 16 new communities in the Understanding the Early Years initiative through a Call for Proposals process.
- Approved 775 New Horizons for Seniors Program projects for a total of $14 million dollars.
- Launched the new National Seniors Council to advise the Government on matters related to the health, well-being and quality of life of seniors.
- Developed and implemented Branch-wide information-gathering strategies to support reporting on results.

Strategic Outcome Indicators

Social Investment

Indicators	Current Level	
Number and proportion of individuals aged 65 years+, who had low family income	242,000	6.1% (2005)
Number and proportion of individuals aged 65 years+ who would have had low income without public support	1,977,400	50.9% (2004)
Average income by which low-income individuals aged 65+ fall short of the relevant LICO threshold if public pension support is removed	2004	$3,137
Average combined annual Canada Pension Plan/Old Age Security/Guaranteed Income Supplement payments for persons over 65 years of age represented as percentage of annual Average Industrial Earnings	2006	40.6%
Proportion of income provided by the Old Age Security program as a percentage of total post-retirement income for seniors	2004	22.6%
Proportion of income provided by the OAS program as a percentage of total post-retirement income for low-income seniors	2004	57.5%
Proportion of income provided by the Canada Pension Plan program as a percentage of total post-retirement income for seniors	2004	17.8%
Persons living in Canada receiving a benefit from another country as a result of a Social Security Agreement	2005	171,229
Contribution of the Canada Pension Plan–Disability Program to income support of beneficiaries as measured by total disability payments as a percentage of total net income received from all sources (measure every three years from tax data)	2004	42.6% (includes QPP disability clients)

Program Indicators

Social Investment

Indicators	Notes
Proportion of Canada Pension Plan contributors who have contributory coverage/eligibility for Canada Pension Plan Disability **Target:** new measure **Result:** 67% (Males); 62% (Females)	Canada Pension Plan Disability contributory eligibility is based on workforce attachment, which is influenced by factors beyond the scope of program activities. To be eligible for benefits, contributors must have been employed or self-employed and have made Canada Pension Plan contributions in four of the last six years. The proportion of contributors with Canada Pension Plan Disability eligibility is expected to remain stable at 65% to the year 2010.
Number of Canada Pension Plan Disability recipients who report a return to work and leave benefits – proportion of this group of clients who have remained off benefits for six months or more **Target:** new measure **Result:** 2,107	The proportion of this group who remained off benefits for six months or more can only be measured in October 2007; hence, Results will be reported next fiscal year.
Number of partnerships concluded that provide the public with knowledge of the Old Age Security and Canada Pension Plan programs **Target:** new measure **Result:** not available	Indicator currently being tested in a pilot project in the Ontario region of the Department.
Labour Market Agreements for Persons with Disabilities	
Number of participants in programs/services under the Labour Market Agreements for Persons with Disabilities **Target:** 199, 812 **Result:** not available	Reports for 2006–2007 will be released in December 2007
Number and Percentage of participants completing a program or service through the Labour Market Agreements for Persons with Disabilities programming, where there is a specific start and end point to the intervention, by province **Target:** 76,311 (38%) **Result:** not available	Reports for 2006–2007 will be released in December 2007
Number and percentage of participants who obtained or were maintained in employment through LMAPD programming, where the program or service supports the activity. **Target:** 43,680 (22%) **Result:** not available	Reports for 2006–2007 will be released in December 2007

Indicators	Notes
Opportunities Fund for Persons with Disability	
Number of clients served **Target:** 5,539 **Result:** 4,923	
Number and percentage of clients who obtained employment **Target:** 1,711 (31%) **Result:** 1,757 (36%)	
Number and percentage of clients with enhanced employability **Target:** 2,198 (40%) **Result:** 2,642 (54%)	
Number and percentage of clients who sought further skills upgrading (returned to school) **Target:** 242 (4%) **Result:** 223 (4.5%)	
Social Development Partnerships Program	
Knowledge is created and disseminated to meet the social development needs of citizens **Target:** new measure **Result:** see notes	Examples where knowledge was created or disseminated included: • Participants from the Vibrant Communities project shared their knowledge and experience via the Government Learning Circle teleconferencing series which connects a virtual 'community of practitioners' who seek to understand how government can best play enabling roles in local, collaborative, well-being efforts. Three tele-learning sessions were held in 2006–2007, attracting 70 registrants, on average, per session. • The cross-country dissemination of the Voluntary Sector Awareness Campaign, which promoted an increased understanding, among Canadians and the community non-profit sector, of the important contribution the sector makes to Canada's economic and social well-being. • La Fédération Canadienne des enseignantes et des enseignants produced a set of tools related to the « Profil d'entrée à la 1^{ere} année dans une perspective langagière et culturelle». These tools are intended to enhance the development of young francophone children in official language minority communities.

Indicators	Notes
Understanding the Early Years Initiative	
Number of communities that apply through the *call for proposals* process during each year **Target:** new measure **Result:** 33 communities applied for funding	
New Horizons for Seniors Program	
Number of seniors leading and or involved in funded project activities within the community **Target:** new measure **Result:** 106,745 (estimate)	
Social Development Partnerships Program Office for Disability Issues	
Number of proposals (from contribution agreements) funded **Target:** 46 **Result:** 61	

Achievements Against Priorities

Social Investment

Plan	2006–2007 Achievements
Priority: Enhance income security and active participation in communities	
Develop and implement a plan to inform people about the retirement income system and their role within it. Efforts will include a focus on Aboriginals on-reserve.	Work plan frameworks were developed for priority populations, revolving largely around how to develop the capacity of partners in reaching out to these groups. These plans are intended to guide regional and headquarter work in targeting hard-to-reach groups. Efforts to better reach Aboriginal seniors included the design and testing of a training and learning initiative (Working Together Workshop) for service providers in First Nations communities.
Develop a Seniors Council that will assist in the development of a seniors' policy agenda and the Plan of Action for Seniors.	The creation of the National Seniors Council and the appointment of its chair were announced on March 5, 2007. The Council will advise the Government on seniors' issues of national importance and help ensure that government policies, programs and services meet the evolving needs of seniors. The Council will initially focus on ways to raise awareness of and combat elder abuse, and to provide support to unattached, low-income senior women.
Priority: Break down barriers to full participation in the richness of Canadian life and communities	
Undertake policy research and development on disability issues and work towards bringing forward a *National Disability Act*	Developed preliminary policy options on a legislative proposal to improve accessibility, engaging all partners within the Department and across government.
Extend the Labour Market Agreements for Persons with Disabilities	Extended the Labour Market Agreements for Persons with Disabilities for a one-year period to March 31, 2008, with annual funding of $222 million being made available to the provinces and territories.
Contribute to the Canada Pension Plan Triennial Review by managing the adoption of an amendment to relax contributory eligibility for long-term contributors applying for Canada Pension Plan Disability benefits, as well as other minor amendments, and planning for their eventual implementation	Developed policy proposals for the Canada Pension Plan Committee to ease contributory eligibility for Canada Pension Plan Disability for long-term contributors. Following approval in principle by federal-provincial-territorial finance ministers, developed the legislative amendment as part of Bill C-36, and supported the tabling and passage through Parliament. Leading the implementation of the amendment on long-term contributors.
Start Phase One of a comprehensive evaluation of the Canada Pension Plan–Disability Program, including a review of existing literature and data, key informant interviews, and examination of the interactions between the Canada Pension Plan–D and other disability income programs	In collaboration with the Evaluation Directorate, a Request for Proposal process was conducted, and a contractor was selected to undertake Phase I of the Canada Pension Plan Disability evaluation.

Plan	2006–2007 Achievements
Place Canada Pension Plan–Disability administrative data into Statistics Canada's Research Data Centres for use by academic researchers to build the knowledge base about Canada Pension Plan–Disability	Worked with Statistics Canada to update the 2006 Participation and Activity Limitation Survey (data collection phase complete). A conference is being planned to maximize the use of the new data once released.
Improve awareness, coherence, and horizontal management of disability policies and programs within HRSDC and across the Government of Canada	Launched the Task Team on Accessibility to make the Department fully accessible and a model employer for people with disabilities. Worked with Infrastructure Canada to ensure that accessibility requirements are considered in projects funded through contributions by the Government of Canada. Worked with the Centre for Emergency Preparedness and Response, Public Health Agency of Canada to ensure that accessibility is considered in the development of emergency preparedness plans.
Serve as a national focal point within the Government of Canada for national and international partners working to promote the full participation of people with disabilities	Work undertaken to advance the full participation, inclusion and well-being of people with disabilities included: a) Extending the Terms and Conditions of the Opportunities Fund for Persons with Disabilities for 2 years; and contributing to policy development for new Labour Market Agreements; and b) Contributing to policy discussions on the Working Income Tax Benefit that was announced in Budget 2007, an additional supplement for people with disabilities; commencing work towards a Registered Disability Savings Plan proposal as well as a legislative proposal to improve accessibility for people with disabilities. Canada was an active contributor to the negotiations leading to the adoption by the UN General Assembly of the UN Convention on the Rights of Persons with Disabilities in December 2006. Canada was one of the first countries to sign the Convention when it was opened for signature at a ceremony in New York City on March 30, 2007. Progress toward revitalizing the Benefit Services for Person with Disabilities Working Group: • Drafting new terms of reference • Renewal of Labour Market Agreements for Persons with Disabilities to March 2008 • Drafted collaborative Federal/Provincial/Territorial workplan Established new collaborative Federal/Provincial/Territorial disability-related network by reaching out to Provincial/Territorial Offices for Disability Issues and Premiers' Councils.

Plan	2006–2007 Achievements
Priority: Support non-profit community sector efforts to innovate, strengthen networks of collaboration, develop capacity and share good practices to contribute to community well-being	
Increase the participation of seniors through the third Call for Applications under the New Horizons for Seniors Program	Investments were made in 775 new projects worth a total of $13.9 million under the New Horizons for Seniors Program to encourage seniors to share their knowledge and skills with others in their community.
Strategically invest in national and non-profit community sector organizations through the Social Development Partnerships Program	Investments were made in 78 active projects worth a total of $11.5 million under the Social Development Partnerships Program. This included issuing a Call for Proposals for funding to enable national organizations to improve the well-being of children and families.
Make investments to enhance early childhood development policies and programs for families in official language minority communities	A Call for Proposals was issued to strengthen early childhood development for official language minority communities. This resulted in the approval of a funding agreement to build a national vision shared by stakeholders involved in early childhood development for official language minority communities.
Additional communities will participate in the Understanding the Early Years initiative through its second Call for Proposals	A Call for Proposals for new Understanding the Early Years communities was issued which resulted in applications from 33 communities while continuing to manage ongoing projects in 21 communities worth $2.6 million.
Foster social innovation and entrepreneurship within the non-profit community sector in a move towards greater sustainability and self-sufficiency over the long term	Community non-profit stakeholders were consulted to identify priorities for investing in innovation which included a literature review, an online survey, interviews and a workshop that brought together stakeholders from across the country. This resulted in the development of a Call for Proposals for $2.6 million to be launched in 2007–2008. A community finance advisory committee was established to review, collect and debate information and advice on community financing. Also, research was initiated to identify the scope of activities done by social enterprises in the Canadian economy. Collaborated with Statistics Canada on the release of the 2004 Canada Survey of Giving, Volunteering and Participating.

Plan	2006–2007 Achievements
Develop tools to foster growth and innovation for community-based socio-economic development	The Second Government Learning Circle in co-operation with Vibrant Communities was launched, which is supporting a virtual 'community of practitioners' who seek to understand how government can best play enabling roles in local, collaborative, well-being efforts. Supported the *Collaborative Community Initiatives Speaker Series*, a learning series which has attracted audiences of over 200 people, with representation from more than 25 different federal organizations since February 2006. Worked collaboratively with private sector organizations to develop instruments to measure and report on the social, environmental and financial impacts of investments in social-entrepreneurial activities. The Demonstrating Value Project was initiated to measure the social, environmental and economic impact of social enterprises. A financial fitness toolkit was developed to assist community sector organizations in the areas of accounting, financial planning and legal issues.
Make strategic investment to support the engagement of the non-profit community sector in policy dialogue and the sharing of innovative practices	The cross-country dissemination of the Voluntary Sector Awareness Campaign was promoted to increase the understanding, among Canadians and the community non-profit sector, of the important contribution the sector makes to Canada's economic and social well-being. Six studies were commissioned in collaboration with key stakeholders and federal partners to gather intelligence and advance policy analysis pertaining to social enterprises.
Demonstrate leadership and support other federal departments in their efforts to effectively work with the non-profit community sector	The Task Force on Community Investments published 3 major reports on federal policies and practices related to transfer payments and the funding of horizontal initiatives. In November 2006, the Task Force recommended 41 ways to achieve more consistent and coherent funding practices which were subsequently reflected in the report of the Independent Blue Ribbon Panel on Grant and Contribution Programs in December 2006.

For more details on programs supporting this activity, please see Section IV – Other Items of Interest.

Program Activity

Children and Families

The Government of Canada recognizes that families are the building blocks of a society, and that child care is a priority for Canadian families. Canada's Universal Child Care Plan, consisting of both the Universal child Care Benefit and Support for the Creation of Child Care Spaces, represents a new approach to child care that respects the role of parents in determining how best to care for their children and recognizes the responsibility of provincial and territorial governments for delivering child care services.

Strategic Outcome Indicators

Children and Families

Indicators	Current Level
Percentage of children 4-5 years of age displaying normal to advanced development	2002–2003 86.9% of children 4 to 5 years of age displayed average to advanced levels of verbal development.
Distribution of children 0–6 by type of primary care arrangement	2002–2003 Parental Care 47% Non-Parental Care 53% Care in someone else's home 45.9% Care in child's home 21.6% Daycare centre 27.8% Other 4.7%
Percentage of children for whom there is a regulated child care space (broken down by children ages 0–5 and 6–12)	2004 Approximately: Children 0–12 15.5% Children under age 6 24% School age children 6–12 9.3%
Percentage of children ages 0–5 displaying behaviour problems	2002–2003 Emotional problems-anxiety: 16.7% of children 2 to 5 years of age displayed signs associated with emotional problems-anxiety Hyperactivity/Inattention: 5.5% of children 2 to 5 years of age displayed behaviour associated with hyperactivity or inattention Aggression/Conduct Problems: 14.6% of children 2 to 5 years of age displayed signs of aggression or conduct problems Age-appropriate personal and social behaviour: 15.7% of children from birth to 3 years of age did not display age-appropriate personal and social behaviour
Percentage of children living in families exhibiting positive family functioning	2002–2003 90.2% of children from birth to 5 years of age lived in well-functioning families

In addition, governments recognize that to secure a vibrant and productive society, the well-being of children is crucial. Through investments in key initiatives, participating governments have agreed to policy objectives that will enhance the well-being of children and the economic security of individuals as well as families with children. The Department is responsible for federal leadership on these initiatives and is actively involved in facilitating learning and reporting on results. Human Resources and Social Development Canada manages three horizontal initiatives in support of this strategic outcome including: the National Child Benefit Initiative, Federal-Provincial-Territorial Early Childhood Development Agreement and Federal-Provincial-Territorial Multilateral Framework on Early Learning and Childcare.

Details on these horizontal initiatives can be found at:
http://www.nationalchildbenefit.ca/home_e.html
(National Child Benefit),

http://www.ecd-elcc.ca
(Early Childhood Development),

http://www.ecd-elcc.ca/en/ecd/ecd_home.shtml
(Federal/Provincial/Territorial Communiqué on Early Childhood Development).

The Department also plays a key role, on behalf of the Government of Canada, in the development and exchange of knowledge, information, and best practices related to children and their families.

Key accomplishments for 2006–2007 included:

- On-going policy work on Canada's Universal Child Care Plan, including supporting the creation of child care spaces
- On-going implementation of the Early Childhood Development Agreement and the Multilateral Framework on Early Learning and Child Care, including monitoring of and reporting on activities and expenditures
- Implementation of the Universal Child Care Benefit
- The National Child Benefit Supplement for low-income families with children increased by approximately $185 per child, bringing maximum National Child Benefit Supplement benefits for a two-child family to $3,665 in 2006–2007. Government of Canada investment in the National Child Benefit Supplement was $3.5 billion in 2006–2007.[4]

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[4] While Human Resources and Social Development Canada is responsible for policy development with respect to the National Child Benefit initiative, the Canada Child Tax Benefit (including the National Child Benefit Supplement) is a tax measure, and is administered by Canada Revenue Agency.

Program Indicators

Children and Families

Indicators	Notes
Incidence of low income – the change in the number and percentage of families and children that fall below the post-tax Low Income Cut-Off, due to the National Child Benefit, in one year **Target:** Actual data to be reported **Result:** In 2003, 60,500 families with 159,000 children were prevented from living in low income, due to the National Child Benefit. This is a reduction of 12.4 percent in the number of families with children living in low income.	The most recent analysis on this indicator is the year 2003, published in May 2007 in the *National Child Benefit Progress Report: 2005.*
Depth of low income – the change in the aggregate amount of income that low-income families would need to reach the post-tax Low Income Cut- Offs, due to the National Child Benefit, in one year **Target:** Actual data to be reported **Result:** In 2003, the National Child Benefit reduced the depth of low income, or the low-income gap, for families with children who received the National Child Benefit Supplement, by a total of $610 million, or 16.1%.	The most recent analysis on this indicator is the year 2003, published in May 2007 in the *National Child Benefit Progress Report: 2005.*
Number of children under six years of age for whom their parents are receiving the Universal Child Care Benefit **Target:** 95% of all children under six years of age.[5] **Result:** 95%	The results reported are for the last month (March) of each fiscal year. In March 2007: • There were 2,047,500 children under six years of age[6] • With 1,946,402 children under six years of age having received Universal Child Care Benefit payments Therefore, 95% of eligible children under six years of age received the Universal Child Care Benefit in March 2007.

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[5] This target is for the first year of the program. For future years of the program the target will be 100% coverage.

[6] Based on Statistics Canada population forecasts using 2001 Census.

Achievements Against Priorities

Children and Families

Plan	2006–2007 Achievements
Priority: Provide support and choices for families, through Canada's new Universal Child Care Plan and other existing initiatives, to help ensure their children have the best possible start in life	
Ensure successful implementation of Canada's Universal Child Care Plan through: • Working with other government departments to implement the Universal Child Care Benefit effective July 2006. • Developing a strategy for the creation of new child care spaces, in consultation with other government departments, provinces and territories, stakeholders and Canadians.	• Launch of the website on Canada's Universal Child Care Plan **(www.universalchildcare.ca)** • Effective July 1, 2006, through the Universal Child Care Benefit, families were eligible to receive $100 per month for each child under the age of six. • To inform the development of the approach to create child care spaces, cross-country consultations with provinces and territories, employers, child care providers and other stakeholders were conducted through the summer and fall of 2006. • A Ministerial Advisory Committee was established to provide advice on the design of the Child Care Spaces Initiative, complementing ongoing consultations with provinces and territories and stakeholders. • Budget 2007 announced an approach to support the creation of child care spaces, which involves: – Transfer to provinces and territories of $250M per year to support the creation of child care spaces in a way that builds on their respective child care systems ; and A non-refundable tax credit valued at 25% of eligible expenses to a maximum of $10,000 per space to support businesses interested in creating child care spaces in the workplace for the children of their employees and the wider community.
Ongoing implementation of the Federal, Provincial and Territorial Early Childhood Development Agreement and the Multilateral Framework on Early Learning and Child Care	• Continue to fulfill reporting commitments as outlined in the 2000 Federal, Provincial and Territorial Early Childhood Development Agreement and 2003 Multilateral Framework on Early Learning and Child Care • Draft of the report "The Well-Being of Canada's Young Children: Government of Canada Report 2006 • Amend drafts of the reports "Early Childhood Development Activities and Expenditures: Government of Canada Report 2004–2005" and "Early Learning and Child Care Activities and Expenditures: Government of Canada Report 2004–2005" to include activities and expenditures for 2005–2006. • On-going work of the Federal, Provincial and Territorial Committee on Early Childhood Development Knowledge, Information and Effective Practices

For more details on programs supporting this activity, please see Section IV – Other Items of Interest

Financial and Human Resources 2006–2007

Social Investment and Children and Families

GROSS SPENDING (MILLIONS OF DOLLARS)	PLANNED SPENDING	AUTHORITIES	ACTUAL
Gross Operating Expenditures	160.3	120.4	99.8
Non-Statutory Grants and Contributions	296.6	296.6	285.5
Statutory Grants and Contributions:			
Old Age Security	23,255.0	22,878.8	22,878.8
Guaranteed Income Supplement	6,820.0	6,901.1	6,901.1
Allowances	500.0	504.1	504.1
Universal Child Care Benefit	1,610.0	1,784.4	1,784.4
Child Care - Prov./Terr. Agreements	650.0	650.0	650.0
Energy Cost Benefit	0.0	3.7	3.7
Total Statutory Grants and Contributions	32,835.0	32,722.1	32,722.1
Sub-Total	**33,291.9**	**33,139.1**	**33,107.4**
CPP Benefits	26,132.3	26,115.3	26,115.3
Total	**59,424.2**	**59,254.4**	**59,222.7**
FULL TIME EQUIVALENTS	872	500	500

Details by Program and Services 2006-2007

Social Investment and Children and Families

Financial Resources (in millions of dollars)	Planned Spending	Authorities	Actual Spending
Social Investment			
Seniors and Pensions	53,248.3	53,274.9	53,274.9
Disability Programs	274.0	262.3	262.3
Canada Pension Plan - Disability	3,523.3	3,168.1	3,168.1
Partnerships	52.6	42.2	42.2
Allocated Corporate Services[a]	43.2	61.3	34.5
Sub-Total	57,141.4	56,808.8	56,782.0
Children and Families			
Child Care	1,610.0	1,784.4	1,784.4
Multilateral Framework for Early Learning and Child Care	650.0	650.0	650.0
Early Childhood Development Agreements	3.5	-	-
National Child Benefit	2.4	-	-
Allocated Corporate Services[a]	5.4	8.2	3.3
Other[b]	11.5	3.0	3.0
Sub-Total	2,282.8	2,445.6	2,440.7
Total	**59,424.2**	**59,254.4**	**59,222.7**
Human Resources			
Full Time Equivalents	872	500	500

[a] Corporate Services resources related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services have been prorated to each Strategic Outcome.

[b] Other category is for resources which are not directly related to the sub-activities identified.

Program Activity
Housing and Homelessness

The Government of Canada recognizes the importance of contributing to the reduction of homelessness in Canada. It does so by investing in 121 communities across the country to provide them with the tools to develop a range of interventions to stabilize the living arrangements of homeless persons and prevent those at-risk from falling into homelessness. The government of Canada works with new and existing partners and stakeholders such as communities, Aboriginal organizations and other levels of government to share strategies, deliver programs and develop mechanisms to prevent and reduce homelessness in Canada. The Department carries out the above activities on behalf of the Government of Canada, through the delivery of the National Homelessness Initiative.

Included in its investments in 121 communities, the National Homelessness Initiative makes strategic investments in 61 high-profile designated communities, as well as in small, rural and Aboriginal communities across Canada to provide a range of supports and services such as drug counselling, rent banks, and supportive and longer-term housing that help homeless and at-risk people move toward self-sufficiency. The National Homelessness Initiative is contributing to the government of Canada outcomes by assisting homeless individuals through the provision of supports that assist in removing barriers to full participation in society, in an effort to strengthen the economic and social foundations of Canadian life and contributing to Canada's economic growth.

Human Resources and Social Development Canada's responsibility for direct service delivery to Canadians is anchored in a network of 320 Service Canada Centres, as well as regional offices in each of the provinces and territories operated by Service Canada. Regional Service Canada offices play a central role in implementing the National Homelessness Initiative and in building and enhancing horizontal partnerships within communities. By working closely with communities, the required services are determined, as well as the approach best suited to meeting those needs. Delivery can occur through agreements with community entities, with third party service providers, and with other levels of government. Responsibility for direct delivery to homeless persons depends on the type of agreement in place.

A summative evaluation of the National Homelessness Initiative was conducted in 2006–2007 and will be completed in 2007–2008. The results of the evaluation will be used to support results-based management and accountability of the new Homelessness Partnering Strategy.

A new Homelessness Partnering Strategy was drafted and approved in December, 2006. The Homelessness Partnering Strategy replaces and builds upon the National Homelessness Initiative. The Homelessness Partnering Strategy also responds to the Auditor General's recommendations in her report of November of 2005, to improve horizontal accountability through the introduction of the Homelessness Accountability Network.

In 2006–2007, the key achievements were:

- Approximately $175.5 million in National Homelessness Initiative funding helped a total of 1,140 homelessness-related projects to provide support services to some of Canada's most vulnerable citizens in 121 communities across the country.
- Existing authorities, including the Terms and Conditions of the National Homelessness Initiative, were extended to allow projects that could not be completed in 2006–2007 to be completed in the new fiscal year. This means that services to homeless persons continued without disruption.
- The Housing and Homelessness Branch built upon best practices and lessons learned from the previous initiative to develop the policy framework for the new Homelessness Partnering Strategy, which shifts emphasis from remedial interventions, such as emergency shelters, to the prevention and reduction of homelessness through transitional and supportive housing. The policy development process was supported by national consultation, which resulted in the renewed broad-based support of stakeholders, including provincial and territorial governments, for federal leadership in preventing and reducing homelessness.

Strategic Outcome Indicators

Housing and Homelessness

Indicators	Current Level*
Percentage of overall SCPI funding, for projects completed in 2006–2007 between:	
(a) emergency shelters	33.33%
(b) transitional housing and supportive housing	66.67%
Number of National Homelessness Initiative funding partners in 2006–2007	742
Percentage of National Homelessness Initiative funding partners by Sectors for 2006–2007.	Non-profit 26.4% Sponsor/Organization/Recipient (internal fundraising) 20% All orders of Government (e.g. federal/agencies, provincial/territorial, regional/municipal) 32.4% Private Sector 9.8% Others (such as faith-based communities unions, etc.) 11.4%

* Based on projects closed in 2006–2007

Program Indicators

Housing and Homelessness

Indicators	Notes
Percentage of investments directed toward the continuum of supports and services based on priorities established by the community. **Target:** At least 75% invested in community priorities **Result:** 100%	All investments were directed toward the continuum of supports and services based on priorities established by the community. Based on projects closed in 2006–2007
Ratio of total National Homelessness Initiative investments versus funding by type of partners for each province and territory 2003–2007. **Target:** 1 to 1.5 **Result:** 1 to 1.89	While the ratio of investments varied considerably across the country, the overall ratio exceeded the objective. Cumulative result for Phase II of the National Homelessness Initiative (2003–2007)
Increase in accessible sources of information/data on homelessness **Target:** Evidence of uptake of data/information **Result:** yes	The National Homelessness Initiative website received an average of 1,593 "visits" per day from 2006–2007, showing an ongoing uptake of information on homelessness. In addition, in 2006–2007, support from the National Research Program has allowed research organizations from across Canada to highlight homelessness information on their own websites, e.g. the Canadian Ethnic Studies Association, at **http://umanitoba.ca/publications/ces/CES_en_homelessness.htm**. The National Research Program, in partnership with CIC-Metropolis, coordinated a one-day national symposium for academics, government researchers and service providers from across Canada on immigration and homelessness in March 2007. In the 2006–2007 fiscal year, the National Research Program supported the creation of York University's *Homeless Hub: A Canadian Homelessness Research Library*, which will go live in August 2007. The National Research Program also supported the University of British Columbia in the creation of knowledge dissemination projects on homelessness in British Columbia's Lower Mainland, which will produce a variety of publications and web-based products by October 2007.

Achievements Against Priorities

Housing and Homelessness

Plan	2006–2007 Achievements
Priority: Contribute to the reduction of homelessness in Canada	
Review and disseminate program funding allocation, guidelines and tools to ensure a smooth transition and efficient delivery of the National Homelessness Initiative during the extension year (2006–2007)	In 2006–2007, approximately $175.5 million in National Homelessness Initiative funding helped a total of 1,140 homelessness-related projects to provide support services to some of Canada's most vulnerable citizens in 121 communities across the country.
Produce and disseminate National Homelessness Initiative results for the period of 2003–2007	Research generated by the National Homelessness Initiative has been disseminated in a number of peer-reviewed journals and policy magazines, including the Journal of *Human Behaviour in the Social Environment, the International Journal of Social Welfare, Canadian Issues, and Canadian Diversity*. In addition, National Homelessness Initiative research findings have been presented at a number of conferences and other forums, including the Metropolis Conference and the Congress of the Humanities and Social Sciences. The National Homelessness Initiative also funded a special one-day conference on immigration and homelessness in March 2007.
Priority: Develop homelessness and housing policies for Canadians, including Aboriginal peoples	
Develop policy options for the National Homelessness Initiative beyond March 2007	New policy options for addressing homelessness were developed in 2006–2007, and on December 19, 2006, the Government of Canada committed $269.6 million over two years (2007–2009) to more effective and sustainable solutions to addressing homelessness, including support for Aboriginal communities, through a new Homelessness Partnering Strategy, which replaced the National Homelessness Initiative. Existing authorities were extended to allow projects that could not be completed in 2006–2007 to be completed in the new fiscal year. This means that services to homeless persons continued without disruption.
Priority: Strengthen horizontal links between housing and homelessness and other policy areas	
Improve coordination and reporting of horizontal links with federal partners.	Coordination and reporting of horizontal linkages remained a priority throughout the year, and the lessons learned played an important role in the development of the new Homelessness Partnering Strategy. Continued the National Tripartite Committee on Surplus Federal Real Property for Homelessness Initiative, which is composed of representatives from Human Resources and Social Development Canada, Public Works and Government Services Canada and Canada Mortgage and Housing Corporation. Continued the Action for Neighbourhood Change, whose government partners included Public Safety and Emergency Preparedness, Health Canada, and the National Film Board.

Financial and Human Resources 2006–2007

Housing and Homelessness

GROSS SPENDING (MILLIONS OF DOLLARS)	PLANNED SPENDING	AUTHORITIES	ACTUAL
Gross Operating Expenditures	40.2	34.8	32.7
Non-Statutory Grants and Contributions	147.9	185.1	157.6
Total	**188.1**	**219.9**	**190.3**
Full Time Equivalents	383	303	303

Details by Program and Services 2006–2007

Housing and Homelessness

Financial Resources (in millions of dollars)			
	Planned Spending	**Authorities**	**Actual Spending**
Supporting Communities Partnership Initiative	133.0	156.9	135.6
Urban Aboriginal Homelessness	18.2	23.5	20.0
Regional Homelessness Fund	5.4	9.1	8.1
National Research Program	2.8	3.9	3.8
Homeless Individuals and Families Information System	2.1	1.7	1.7
Surplus Federal Real Property for Homelessness Initiative	2.5	-	-
Allocated Corporate Services[a]	13.1	13.9	13.0
Other[b]	11.0	10.9	8.1
Total [c]	**188.1**	**219.9**	**190.3**
Human Resources			
Total FTE	383	303	303

[a] Corporate Services resources related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services have been prorated to each Strategic Outcome.

[b] Other category is for disposal of crown asset

[c] This amount includes resources for the delivery of programs and services by Service Canada. For a full accounting of Service Canada's operations please refer to the previous table.

Achieve Better Outcomes for Canadians Through Service Excellence

Service Canada

Service Matters: In its second year of operation, Service Canada generated improvements in service to Canadians by introducing new service offerings, improving service across delivery channels, improving integrity of benefit programs and increasing investments for greater efficiency in the infrastructure supporting service delivery.

Service Canada was launched in 2005 based on approaches to service delivery that drew on careful research, analysis and planning. It was shaped by listening to Canadians about the approach to service they want to see and their views on what works best for them.

The result so far is a one-stop, easy-to-access services across multiple channels including phone, Internet, in-person and mail. Service Canada has over 19,000 employees dedicated to serving Canadians; almost 600 points of service throughout the country, including outreach and mobile services; the national 1-800-O-Canada phone service; a network of call centres, as well as a range of on-line services offered on the Internet through **servicecanada.gc.ca.**

Service Canada, in collaboration with a number of federal departments and agencies as well as partners in other governments, delivers a range of integrated programs and services to Canadians, further streamlining how government services are provided. The Service Canada focus on making it easier for Canadians to access the programs and services they need is in the early stages of reaching a longer-term goal to contribute to improved policy outcomes, and better connecting citizens to government.

Did You Know?

Each year, Service Canada:

- Serves more than 31 million Canadians – from newborns to seniors
- Pays over $70 billion ($190M a day) in benefits to Canadians
- Handles over 53 million calls
- Handles over 11 million transactions online
- Mails over 20 million letters
- Averages 1 million transactions per day

For 2006–2007, the Service Canada agenda had three major program activity focuses:

- Seamless, Citizen-centred Service;
- Integrity; and
- Collaborative, Networked government Service.

Program Activity
Seamless, Citizen-Centred Service

Consistent with the milestones set out in its multi-year plan, Service Canada made progress toward its goal of providing a one-stop personalized service experience for Canadians offering consistent, high-quality service across all delivery channels and responding to the identified service delivery interests of Canadians. The activities have emphasized a citizen-centred focus to delivering what Canadians want and to bring services as close to them as possible. That work took place under the three priorities: Transforming Service to Canadians; Achieving and Rewarding a Service Excellence Culture and Strengthening Accountability and Transparency.

Priority ➊

Transforming Service to Canadians

As set out in the Report on Plans and Priorities, Service Canada had already begun a multi-year plan to transform service to Canadians, whether in person, using the telephone or via the Internet. That plan to transform services to Canadians had the following five elements: Implementing Our Service Strategies for Client Communities; Undertaking Business and Product Development; Expanding Our Regional and Community Presence; Integrating Call Centres and Renewing Internet and Intranet Services, each of which is described below.

Implementing Our Service Strategies for Client Communities

Service Canada's goal was to implement a service strategy for more meaningful and responsive service to client communities. As part of this effort, Service Canada followed through on its commitment to create client advisory groups that would lead to better understanding the priorities of particular groups of clients and identify client segment champions. The establishment of the Service for People with Disabilities External Advisory Group in September 2006 and its subsequent work with Service Canada demonstrates the value of that engagement, which complemented existing work to improve services for people with disabilities.[7] For example, a new policy on sign language services means that Service Canada Centres use a standardized approach to ensure they can communicate with Canadians who use sign language. Some 35 Service Canada Centres have improved their accessibility to Canadians with disabilities and the 11 most commonly used Service Canada forms are now all available online. The Service Canada website was enhanced to include a "Read to me" automated reading service link on each page that assists visually impaired users.

The Service Canada Voluntary Sector Advisory Committee was established as a vehicle to build a strategic and positive relationship with non-profit service delivery organizations. The Committee began with a focus on the administrative issues surrounding grant and contribution programs. It provided advice on the implications for Service Canada of the recommendations of the Independent Blue Ribbon Panel on Grants and Contributions.[8] However, the emphasis of Voluntary Sector Advisory Committee was broadened, enabling it to provide advice on the needs of seniors, families, newcomers to Canada and general service delivery improvements.[9]

A Newcomers to Canada segment strategy was developed in consultation with Citizenship and Immigration Canada, Human Resources and Social Development Canada and other federal departments and drew on consultations with immigrant-serving organizations.[10] An Official Languages Minority Community segment strategy was developed after consultations with community organizations, opinion leaders and citizens.[11]

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[7] **http://www.servicecanada.gc.ca/en/audiences/disabilities/index.shtml**

[8] **http://www.brp-gde.ca/**

[9] **http://www1.servicecanada.gc.ca/en/gateways/organizations/menu.shtml**

[10] **http://www.servicecanada.gc.ca/en/audiences/newcomers/index.shtml**

[11] **http://www1.servicecanada.gc.ca/en/epb/olscc/olscc.shtml**

A key commitment under a new three-year action plan was to establish 17 points of service designated to provide enhanced services to members of official language minority communities during 2006–2007. Service Canada exceeded that goal, establishing 33 points of service, including outreach sites. For example, points of services in Saskatoon and Gravelbourg were established to provide services to francophone clients in Saskatchewan.

In addition, Service Canada engaged national Aboriginal organizations in discussions to develop more meaningful and responsive services for Aboriginal citizens and in the development of an Aboriginal Client Service Strategy. In support of the Aboriginal and Newcomers to Canada segment strategies, Service Canada has produced fact sheets in seven Aboriginal and 12 foreign languages on the seven programs and services of greatest interest to those communities. Building on this work, Service Canada's Multi-Language Service Initiative continued to test various approaches to in-person multi-language service across the country. Ongoing pilot projects include the use of a third-party telephone interpretation service and hiring staff who speak targeted languages to deliver multi-language services in Service Canada Centres and through scheduled outreach.

Undertaking Business and Product Development

This priority centres on the Service Canada commitment to develop processes and approaches that are founded on service offerings that reflect the needs of Canadians rather than the traditional program-driven approach delivered through separate service networks. A key to this was a commitment to improve and develop the service offerings that Canadians access through Service Canada. This commitment was met through the introduction of 13 new service offerings and the enhancement of others. New service offerings included access to pleasure craft licences, the Apprenticeship Incentive Grant, the Universal Child Care Benefit and Department of National Defence and Royal Canadian Mounted Police recruitment awareness. Service Canada and the Ontario government have collaborated to provide the Newborn Registration Service that enables parents to register their newborn child's birth and apply for a birth certificate and Social Insurance Number at the same time. The full list is included in the Achievements Against Priorities chart later in this report.

Service Canada continued to introduce improvements to existing service offerings that responded to the needs of Canadians. The existing Passport Receiving Agent service that enables Canadians in smaller and more remote communities without Passport Canada locations to file their applications at Service Canada Centres was expanded by 58 to respond to increased demand. During the year, Service Canada handled more than 67,000 passport applications.[12]

A new "May I help you" feature was introduced. Service Canada developed a plan leading to the piloting of its new Service Experience Model, which defines the process and environment of service to citizens.

Expanding Our Regional and Community Presence

Service Canada committed to establishing itself as the Government of Canada network of choice by offering choice and access to Canadians through measures such as doubling the points of service. Service Canada has made progress towards that commitment in many ways. For example, it introduced 171 new points of service (5 new Service Canada Centres, 129 new Scheduled outreach locations and 37 new Service Canada Community Offices). Among those new Outreach locations, six were established in the Northwest Territories, 11 in Nunavut and 72 in Ontario.

By March 31, 2007, there were 587 Service Canada points of service. As a result, 95.1% Canadians live within 50 kilometres of a Service Canada point of service, exceeding the 90% target. The Service Canada website includes a "Find a Service Canada Centre Near You" feature that makes it simple for Canadians to find these points of service.[13]

Service Canada implemented extended hours of service at 53 sites against a target of 60 sites, achieving 88% of its stated commitment. However, among locations with extended hours, in Toronto alone, the Canada Quay site operates on Saturdays and Sundays and the Malvern Service Canada Centre have extended their hours of operation to weekday evenings and Saturday. Officially opening in October, 2006, the Malvern Service Centre is located in a priority Toronto neighbourhood, that has a higher than average percentage of youth facing barriers and visible minorities. This Centre provides a focal point at which youth can access information about employment and training opportunities as well as the full suite of Service Canada offerings. In its first two weeks of operation, the Centre provided service to over 1,800 clients and has been well received by the community.

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[12] **http://www.servicecanada.gc.ca/en/goc/passportfaq/sc.shtml**

[13] **http://www1.servicecanada.gc.ca/en/gateways/where_you_live/menu.shtml**

Service Canada began to implement a strong and consistent visual identity that will be seen by Canadians in Service Canada Centre signage, advertising and public notices as well as the new Service Canada Internet site, described later in this section

Integrating Call Centres

Service Canada handled more than 53 million calls to its interactive voice response systems and to call centre agents in 2006–2007.

In a year in which call volumes rose by 22%, Service Canada met its target of answering 85% of calls to the 1-800-O-Canada general information number within 18 seconds, recording a 92% client satisfaction rate.

The Canada Student Loan Program, a specialized call centre service, exceeded its target of answering 95% of calls with 180 seconds, achieving a 98.4% call answer rate.

Service Canada continued to implement improvements to other specialized services supporting its call centre network. Facing a number of challenges, Canada Pension Plan and Old Age Security call centres answered 85% of calls within 180 seconds, while Employment Insurance answered 44% of calls within 180 seconds and 67% within five minutes. As a result of the introduction of a number of service improvements, including Saturday service and extended hours of operation, Employment Insurance Call Centres were successful in achieving 72% service level in March, at the height of the winter peak. In the last quarter of the year, high volume messages decreased by 67% compared to the same period the previous year (659,124 compared to 2 million).

In addition, a plan to improve the Interactive Voice Response service was completed and a plan was developed for the implementation of a national Quality Assurance Program. A new Common Reference Tool was launched to provide consistent, accurate information to all Service Canada call centre and processing agents at the same time. Service Canada has also completed a vision, and plan for the integration of call centres as well as migration to a new delivery model that will be sustainable, affordable and result in tangible service improvements for Canadians.

Renewing Internet and Intranet Services

As planned, Service Canada launched a new website that gives Canadians easy access to Government of Canada programs and services.[14] Users now have simple access to the right programs, services or topics of interest to them. As noted above, the new site, has a "Read to me" feature that reads out content for clients. Information about Service Canada points of service now also includes photos of building and direction maps. In addition, the Service Canada site also enables clients to provide feedback on their user experience through questions with multiple choice answers and a rating scale. Service Canada's Internet availability exceeded the 95% target for 24/7 access, achieving accessibility 99.3% of the time. This was a factor in enabling Canadians and other users to make more than 22.3 million visits to the Service Canada site during 2006–2007, quadrupling the number of visits in 2005–2006.

Service Canada staff and the Canadians who turn to them for answers and assistance began to benefit from a redesigned Service Canada Intranet site, which replaced more than 40 sites that had been in previous use. The new intranet site provides consistent tools and information that help employees find what they need in the workplace more easily and more quickly.

Priority ❷

Achieving and Rewarding a Service Excellence Culture

When citizens deal with people who provide government services and who do so efficiently and responsively, they gain a greater confidence in government. In the same way, when client service is prized and supported, employees know that their personal commitment to service excellence is respected and valued. The plan to build the culture of service excellence that is central to plans for Service Canada had the following three elements: Building for Service Excellence; Achieving Service Excellence by Enhancing Employee Skills and Capabilities and Rewarding Service Excellence.

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[14] **http://www.servicecanada.gc.ca**

Building for Service Excellence

Service Canada identified key themes and activities that it will use to build a culture of service excellence over the medium term, including defining the skills, behaviours and competencies that are linked to service excellence. To reflect an evolution of the work functions of performing program specific transactions, to delivering holistic, citizen-centred service, Service Canada has reclassified 5000 employees. Service Canada also initiated a program of service excellence training, delivered through the Service Canada College (as described below).

Targeted recruitment represented another step in establishing service delivery as a career path. For example, a new visible minority recruitment program was launched to enable Service Canada staffing to reflect the communities it serves, complemented by a university recruitment strategy.

To ensure that staff has the necessary skills, Service Canada created an "Investing in our People" framework to attract, develop and retain talent. It engaged staff through information efforts that included town hall meetings, enabling employees to ask questions directly of senior managers. A new "Rumour Busters" Intranet site allowed employees to post questions and concerns. Service Canada implemented a human resource planning process linked to the achievement of business objectives at both the strategic and operational levels and developed a range of human resource policies and tools under the new regime established through the Public *Service Modernization Act*. Its new Governance Framework for Official Languages was put in place to reinforce respect for both official languages and the use by employees of the official language of their choice.

There were also initial steps across many initiatives that will be finalized and implemented over the coming years, such as the development of generic service delivery roles, establishing a baseline to gauge improvements in the Service Canada culture of service excellence and introducing of a revamped employee wellness program and an informal conflict management system to promote employee well-being in Service Canada.

Achieving Service Excellence by Enhancing Employee Skills and Capabilities

As planned, the Service Canada College was formally launched with the opening of the Galleria learning centre in Regina in September 2006, after substantial work to develop curricula and arrange staff participation.[15] The College provides comprehensive management of learning with a coordinated approach to training and funding the learning needs of the organization. It is the physical focus for Service Canada's commitment to ensuring that staff receives the citizen-centred service training they need to achieve the organization's goals. Service Canada also launched a new Service Excellence Certification Program to ensure that those who deal with clients, as well as their managers, are knowledgeable first points of contact.[16]

Service Canada College partnered with the Canada School of Public Service to develop and implement a service delivery curriculum for use across the government. Service Canada also provided specialized courses to managers and employees. These included training to support new Service Canada service offerings including pleasure craft licensing and the Universal Child Care Benefit as well as courses and orientation programs provided by Service Canada regions.

Rewarding Service Excellence

The Government of Canada wants Canadians to experience service excellence every time they deal with Service Canada, whether in person, on the phone or through electronic services. To move towards that goal in 2006–2007, Service Canada launched some immediate actions such as a new Pride and Recognition program to recognize employee service innovation and excellence, and those who "go the extra mile" in serving Canadians. The program included the first national Service Canada awards ceremony, which took place in Regina.

To stabilize the Service Canada executive ranks and plan for succession, the organization developed a targeted human resources strategy and implemented innovations in leadership training. Also, as a means to strengthen and clarify accountabilities, a new approach to the development of senior executive-level Performance Management Agreements was implemented.

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[15] **http://www.servicecanada.gc.ca/en/about/college.shtml**

[16] **http://www1.servicecanada.gc.ca/en/about/college.shtml#secp**

Priority ❸

Strengthening Accountability and Transparency

A central Service Canada commitment was to report on service progress to Parliament and Canadians. In addition to the material provided through the Departmental Performance Report, and Report on Plans and Priorities, Service Canada developed the first Service Canada Annual Report.[17] It explained the background of Service Canada, service delivery improvements, integrity strategies, partnership building and, most relevant to this priority, Service Canada's commitments to service. The Service Canada Annual Report described the what Canadians can expect from Service Canada and how they can provide feedback.[18] It also provided information on Service Canada and the detailed Performance Scorecard for 2005–2006. The 2006–2007 Scorecard results are included in the next Report.

A key element in improved transparency and service improvement was the work of the Office for Client Satisfaction.[19] During 2006–2007, the Office received almost 2,000 formal pieces of feedback during the year (179 suggestions, 306 compliments, 730 complaints and 779 referrals of feedback to other departments). Based on analysis of that feedback, the Office for Client Satisfaction has developed recommendations for improvements to the delivery of benefits and services that are to be submitted to Service Canada management for review and consideration. The Office for Client Satisfaction met its own service standards of returning 99.9% of calls from individuals within 24 hours (excepting weekends and holidays) and replying to 100% of inquiries within seven days.

A new role, the Fairness Advisor, was established.[20] The Office of the Fairness Advisor was put in place to provide an independent and impartial means for community service delivery organizations to address any issues they have with Service Canada. Organizations were encouraged to contact the Office of the Fairness Advisor with concerns or complaints about the administration or delivery of grants and contributions programs that they are unable to resolve with Service Canada. The Fairness Advisor acts as an independent and objective fact-finder in these cases. The Office of the Fairness Advisor is also a point of contact for dialogue and feedback on issues of fairness, integrity and respect of the rules surrounding those programs. When Service Canada issues a call for proposals to community service delivery organizations, in order to provide specific services to a community, the Office of the Fairness Advisor observes the evaluation of these proposals by Service Canada staff.

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[17] **http://www.servicecanada.gc.ca/en/about/reports/ar_0506/index.shtml**

[18] **http://www.servicecanada.gc.ca/en/about/charter/charter.shtml**

[19] **http://www.servicecanada.gc.ca/en/about/reports/corp/ocs.shtml**

[20] **http://www.servicecanada.gc.ca/en/about/ofa/index.shtml**

Achievements Against Priorities

Seamless, Citizen-Centred Service

Plan	2006–2007 Achievements
Priority: Transforming service to Canadians	
Implementing our Service Strategies for Client Communities	• Client advisory groups created (e.g., people with disabilities, voluntary sector, official language minority communities) that generated action plans and identified specific improvements to services • Enhanced accessibility for Canadians with disabilities at Service Canada Centres and on the Service Canada website • Strategies introduced to guide and improve services to newcomers to Canada and official language minority communities and Aboriginal people and communities
Undertaking business and product development	13 new service offerings: • Delivery of Pleasure Craft Licences; • Apprenticeship Incentive Grant; • Information provided for the Targeted Initiative for Older Workers; • Western Hemisphere Travel Initiative; • Historical Recognition Initiatives; • Integrated Death Notification; • Information and referrals concerning the Universal Child Care Benefit; • Promoting Canada Savings Programs; • Targeted Assistance for Employment Insurance Recipients; • Royal Canadian Mounted Police Recruitment Awareness; • Department of National Defence Recruitment Awareness; • Canada Summer Jobs; • Newborn Registration Services in Ontario Expansion of Passport Receiving Agent services to 93 locations to meet demand
Expanding our regional and community presence	• 171 new points of service added to reach a total of 587 (10.1% over target for year and above accessibility target) • Achieved extended hours including evenings and weekends in some 53 locations against a target of 60 sites • A new Service Canada "brand" and visual identity to establish recognition among Canadians, resulting in a 7% increase in call demand

Plan	2006–2007 Achievements
Integrating call centres	• The Service Canada 1-800 O-Canada general information met service level targets • Canada Pension Plan and Employment Insurance telephone services introduced service improvements to mitigate impacts of funding constraints • Review of the Interactive voice response service was completed and a plan developed for service improvements • A plan for the implementation of a National Quality Assurance Program was finalized • A new Common Reference Tool was implemented for National Call Centre and In-Person agents so that consistent information can be provided on all existing or new programs and services
Renewing Internet and Intranet Services	• New website launched offering clearer access to information • Visits to the Service Canada website quadrupled over 2005–2006 levels • Online transactions doubled over 2005–2006 levels • 24 /7 access 99.3% of the time • A "Talk to Me" feature reads out contents of page to visually impaired clients • A new intranet site replaced 40 sites and offers consistent tools and information for Service Canada staff
Priority: Achieving and rewarding a service excellence culture	
Building for service excellence	• Reclassification of staff to deliver holistic, citizen-centred service tailored to needs of individual citizen and communities • Staff recruitment includes a focus on visible minorities and new university graduates • A new "Investing in People" framework organizes Service Canada staff recruitment, retention and development • A proactive communications program designed to let staff be heard • Human resources planning, policies and tools updated • A new official languages framework • Initial work on many other Human Resources-related actions
Achieving service excellence	• Developed and opened the new Service Canada College, supported by a new curriculum with training staff in place • Partnership with Canada School of Public Service for a government service delivery curriculum • Specialized training provided to support delivery of new service offerings and other corporate needs

Plan	2006–2007 Achievements
Rewarding service excellence	• A new pride & recognition program honours innovative and client service oriented staff. • New service excellence awards given nationally, plus regional actions. • Framework for a leadership development program created. • Performance Management Agreements include standardized commitments based on Service Canada government-wide priorities. • Experiments with other forms of leadership learning.
Priority: Strengthening accountability and transparency	
Reporting on our commitments to Canadians and Parliamentarians	• Service Charter, Service Standards and Performance Scorecard established and reported on comprehensively through the first Service Canada Annual Report. • Office for Client Satisfaction addressed almost 2,000 items of feedback from clients. • Office of the Fairness Advisor was created to support relations with service delivery partner organizations relating to the grants and contributions program issues.

Program Activity
Integrity

As an organization that issues over $70 billion in benefits to Canadians annually, Canadians expect Service Canada to ensure that these benefits go to the right people, in the right amounts and for the purposes for which they were intended. Service Canada continued to place a strong emphasis on the use of risk management strategies to identify the best ways to improve the integrity of program operations, demonstrate sound stewardship of public funds and generate savings. That work took place under the Integrity priority which was originally organized in the Report on Plans and Priorities under two elements, Establishing Enterprise Integrity and Meeting our Saving Commitment. A third element, Achieving Processing Automation, was moved to this priority from the "Work as a Collaborative and Networked Government" priority to better reflect its importance to achieving Service Canada integrity goals.

Priority

Strengthening Accountability and Transparency

Establishing Enterprise Integrity

The centrepiece of Service Canada's commitment to integrity was to strengthen the Social Insurance Number as a safe and secure common identifier for Service Canada's Social Insurance Number-based programs. To help achieve this, Service Canada undertook a number of initiatives to further enhance the integrity of information in the Social Insurance Register. This work will enable Service Canada to establish clear and concrete goals for Social Insurance Register completeness, accuracy and reliability and to measure and report on these goals beginning in fiscal year 2007–2008. It will also address one of the Auditor General's recommendations related to the Social Insurance Number, which are described in greater detail below. Another key initiative to further enhance the integrity of information in the Social Insurance Register is the vital events linkages initiative, which is a process to standardize data exchanges with the organizations in provincial and territorial governments that are responsible for recording vital events, such as births and deaths.

As part of Service Canada's ongoing work, there were 9,000 Social Insurance Number investigations related to issues such as suspected abuse and assistance to individuals and organizations faced with compromised Social Insurance Numbers. To make Canadians aware of proper and improper uses of their Social Insurance Numbers, Service Canada developed a Social Insurance Number Code of Practice for citizens, employers, employees and Service Canada partners. Service Canada posted the Code on its website and developed a preliminary marketing strategy.[21]

Identity authentication is the process by which Service Canada ensures authorized access to its personalized services by drawing on the Social Insurance Register data. During 2006–2007, Service Canada authenticated identities for over 11.7 million transactions in the online channel alone, acting as the front door of My Service Canada Account. This directly contributed to the integrity of the Social Insurance Registry database, relying on up-to-date vital statistics information and ensured proper access controls were and continue to be in place. This increasing data integrity was linked to other innovations, such as full implementation of Social Insurance Number Rapid Access. This risk-based Social Insurance Number issuance process allows Canadians with all the necessary documents to apply for and receive a Social Insurance Number in one visit to a Service Canada Centre. During 2006–2007, more than one million Social Insurance Number applications were processed or 67% of all applications using rapid access.

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[21] **http://www.servicecanada.gc.ca/en/about/reports/sin/cop/toc.shtml**

In the Report on Plans and Priorities, Service Canada committed to expand its risk analysis capacity and its enterprise-wide quality framework, both of which contribute to achieving Service Integrity by providing the correct service offering to meet the client's full entitlement to benefits and services. Both commitments were achieved. It strengthened risk management processes that were integrated across the organization and in its business plans. At a more targeted level, Service Canada successfully tested the concepts of integrating a risk-based approach into the client service experience model. This approach will provide citizens with services that are tailored to their needs and will allow better targeting of integrity activities.

Service Canada is building an enterprise-wide quality measurement system to better assess compliance with program authorities, as well as the accuracy of payments. This measurement system will help Service Canada ensure that the activities which it implements to mitigate and manage risk are applied correctly, and that service accuracy targets are achieved.

In February 2007, the Auditor General issued a Follow-up Status Report on the Management of the Social Insurance Number.[22] It reviewed the progress of Human Resources and Social Development Canada, Service Canada and Treasury Board Secretariat in responding to recommendations in the 2002 Follow-up Report of the Auditor General.

The Auditor General's report noted satisfactory progress on several aspects of Social Insurance Number management within Human Resources and Social Development Canada and Service Canada's responsibility including the redesign of the Social Insurance Number issuance process, updated standards for proving identity and in identifying and investigating Social Insurance Number related fraud. The review also noted that current efforts underway and plans to develop a comprehensive quality measurement and reporting system for the Social Insurance Register indicate a positive direction. However, the Office of the Auditor General found that not enough progress had been made on Integrity goals for the Social Insurance Register. The work described above is intended to address this issue.

Meeting Our Savings Commitments

Having achieved $292 million in savings in operating costs and program payments in 2005–2006, Service Canada generated $424 million of savings in 2006–2007.

A key contributor to achieving savings was the range of program integrity strategies. In 2006–2007, these included the implementation of increased preventative Claimant Information Sessions and risk-based claimant entitlement interviews to ensure the payments go only to eligible individuals. Service Canada also increased automated data-match program investigations to detect people who did not report earnings or absences from Canada while on claim. In addition, Canada Pension Plan and Old Age Security investigation programs were implemented that used information on deaths from provincial data to ensure that payments stopped as soon after a death as possible and other services were offered such as survivor benefits, as appropriate.

Benefit Processing Integrity

Service Canada made significant improvements to its benefit processing environment through the course of 2006–2007. Service Canada implemented rigorous forecasting, planning, tracking and reporting for effective workload management through normal and peak periods in order to ensure that the $70B in benefit payments that Service Canada makes to Canadians were processed on time at a consistently high level of quality.

Service Canada exceeded its targets in a number of areas. For example, Service Canada achieved a national result of 92.8% for processing Canada Pension Plan retirement benefit payments within 30 days, well above the target of 85 %. Service Canada also surpassed its target of rendering 70% of Canada Pension Plan Disability reconsideration decisions within 120 days, achieving a level of 81.6%, up from 68.6 % in 2005–2006. Nationally, 94.1% of Old Age Security benefits were paid within 30 days.

A number of changes and improvements were also made to Employment Insurance benefit payment processes to address the challenges posed by summer and winter peak periods. As a result, 79.7% of Canadians who needed Employment Insurance benefits received their payments in the 28 days following receipt of claim against a target of 80%. Despite the introduction of new legislative and major changes to processes, the accuracy rate of Employment Insurance claims calculation was 94.5% against a target of 95%.

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[22] **http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20070206ce.html**

Achieving Processing Automation

A review of Employment Insurance payment processes resulted in simplified and standardized processes and procedures before the normal winter increase in claims allowing for a 10% increase in productivity and better service to Canadians.

Service Canada recognizes that automation of the processes used to administer benefit programs improves program integrity. Automation eliminates the errors that arise in manual processing such as data not correctly entered and it prevents delays that arise when documents have to await manual data entry.

The benefit programs that Service Canada delivers represented early uses of electronic systems. For example, 92.7% of the Employment Insurance applications are now received online[23]. These services have allowed Service Canada to be seen as leading e-government initiatives – and one that sees more opportunities to increase the automation of service delivery processes.

To build on this base, Service Canada continued to expand its use of increasingly automated processes to achieve internal operational efficiencies and improved effectiveness. Receiving Records of Employment (ROE) electronically is essential in order to automate the calculation of claims: 24.8% of Records of Employment representing some 55,000 businesses were submitted electronically achieving a 9.1% increase over the 15.7% that were submitted electronically the previous fiscal year. This was 24,000 more employers than a year earlier, well ahead of the target of 15,500 new employers on Records of Employment Web. Other improvements include the digitization of Records of Employment, permitting Service Canada staff to obtain copies electronically through the Service Canada intranet or by e-mail when they are reviewing a file.

During the year, automated claims processing was used for 21,000 initial claims for Employment Insurance benefits exceeding the target of 3% and 171,000 applications to renew existing Employment Insurance claims. The renewal claim activity covered 31.5% of all such claims, exceeding the 30% target. One benefit of the increased automation of processing was that Service Canada staff in the regions were able to balance workloads across the country during the winter peak period. This resulted in improved service to Canadians.

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[23] **http://www100.hrdc-drhc.gc.ca/ae-ei/dem-app/english/home2.html**

Achievements Against Priorities

Integrity

Plan	2006–2007 Achievements
Priority: Strengthening accountability and transparency	
Establishing enterprise integrity	• Social Insurance Number system strengthened through 9,000 investigations of possible frauds • Social Insurance Number Code of Practice launched to inform Canadians and key stakeholders of ways to use Social Insurance Numbers properly • Progress in online authentication of identity, enabling Canadians to establish their identify by validating 11.7 million transactions against the Social Insurance Register and provide authorized access to services • Social Insurance Number Rapid Access implemented, 1 million applications processed • Social Insurance Number Quality Management System piloted • Expanded risk analysis capacity • Framework for an enterprise-wide quality developed • Risk-based approaches used to guide audit choices and business planning and investigations • Responded to Auditor General's report on Social Insurance Numbers, set out plans for improvements • Developed draft key Performance Indicators for Social Insurance Register accuracy, completeness and reliability
Meeting our saving commitments	• Had exceeded $355 million savings target • Targeted activities to address most common forms of abuse in Employment Insurance and public pension benefit programs
Benefit Processing Integrity	• Implemented rigorous forecasting, planning, tracking and reporting for effective workload management through normal and peak periods • Exceeded targets for processing Canada Pension Plan retirement benefit; Canada Pension Plan Disability reconsideration decisions and Old Age Security benefits • Improvements made to Employment Insurance benefit payment processes
Achieving processing automation	• Achievement of improved program integrity through expanded automated processing of Employment Insurance applications • Greater employer use of automated Record of Employment generation and submission (Record of Employment-Web) • Implementation of Employment Insurance simplified and standardized processes and procedures • Record of Employment Automation of internal Service Canada functions and processes.

Program Activity
Work as a Collaborative and Networked Government

Service Canada partners with other government organizations to provide Canadians with single window access to government programs and services. Key aspects of collaborative and networked government are to achieve better client information integration and automate those processes involving client information. The work of this program activity took place under the two priorities, namely, Transforming Services to Canadians and Achieving Client Information Integration.

Priority ❶
Transforming Service to Canadians

Many of the initiatives that are helping to transform direct services to Canadians were described in earlier portions of this Report, particularly under the program activity: "Seamless, Citizen-centred Service." The focus under this program activity was to expand relations with other departments and government organizations through two planning elements: Building Our Capacity as the Government of Canada network of choice and building partnership strategies.

Building our Capacity as the Government of Canada Network of Choice

By the end of 2006–2007, Service Canada was delivering services on behalf of 13 federal departments, agencies and organizations (Agriculture and Agri-food Canada, Canadian Heritage, Canada Revenue Agency, Citizenship and Immigration Canada, Correctional Service Canada, Human Resources and Social Development Canada, Indian Residential Schools Resolution Canada, National Defence, Passport Canada, Public Works and Government Services Canada, the Royal Canadian Mounted Police, Transport Canada and Veterans Affairs Canada).

Service Canada pursued its commitment to use the best approaches possible to provide services on behalf of partners. For example, it issued more than 123,000 pleasure craft licences in the first year of this activity on behalf of Transport Canada.[24] A key to that result was an agreement with Service Canada, Transport Canada and Service New Brunswick, which developed an automated system with 24/7 access to processing licence applications in New Brunswick. This initiative received a Public Service Award for excellence, recognizing the strong partnership approach.

Service Canada completed ten pilot projects that provided direct telephone access to Canada Revenue Agency services that involved more than 14,000 service requests. In Quebec, four Service Canada Centres continued a pilot providing access to Citizenship and Immigration Canada services and also experimented with an additional pilot project involving Canada Revenue Agency services. The commitment to partnerships was mutual, as indicated by the Service Canada pilot project in Manitoba to cost-share resources with Parks Canada to provide year-round services in Churchill and seasonal services in Riding Mountain National Park.

Building Partnership Strategies

Of the 13 federal departments and agencies listed under the previous element of this priority, five were either new Service Canada partners during the year or were the source of new service offerings. Service Canada provided access to Canadians on behalf of Human Resources and Social Development Canada to the new Universal Child Care Benefit and the Apprenticeship Incentive Grant.[25–26] The Royal Canadian Mounted Police and Department of National Defence began work with Service Canada to support their recruitment efforts. The Department of Canadian Heritage worked through Service Canada to deliver the Chinese Head Tax Initiative, just as Indian Residential Schools Resolution Canada did for the Common Experience Payment.[27]

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[24] **http://www.servicecanada.gc.ca/en/sc/boats/pleasurecraft.shtml**
[25] **http://www.servicecanada.gc.ca/en/goc/universal_child_care.shtml**
[26] **http://www.servicecanada.gc.ca/en/goc/apprenticeship.shtml**

Service Canada worked with other departments and agencies in support of the work of the Independent Blue Ribbon Panel on Grants and Contributions. This reflected Service Canada's strong relationships with the voluntary sector and its delivery of many grants and contributions programs.[28]

Many Service Canada partnerships took place at the regional level. These included planning and coordination of intergovernmental agreements and collaboration with provincial and territorial governments on issues of shared interest, particularly related to labour market issues.

In Ontario, the Canada-Ontario Labour Market Development Agreement that came into effect on January 1, 2007 involved the transfer of design and delivery responsibilities for Employment Insurance-funded labour market programming to the provincial government.[29] While the agreement involved the transfer of 13,000 contribution agreements and the salaries for 670 positions as well as operating costs, it took place with no negative impacts on Ontarians. In many communities, co-location agreements between Service Canada and provincial ministries meant that local residents, businesses and service delivery partners continued to deal with the same staff, who were now provincial employees, and continued to receive services through Service Canada Centres. This complemented another effort in Ontario to develop a memorandum of understanding with the Ontario government's ServiceOntario to achieve collaborative service delivery for one-stop service.

In central Alberta, a June 2006 pilot project brought together services related to Canada Pension Plan Disability Benefits and the Alberta Assured Income for the Severely Handicapped program. The introduction of a streamlined application and screening process meant that people with disabilities seeking benefits faced fewer steps in getting the benefits to which they were entitled from each program and had a far smaller risk of potential overpayments between both programs. The streamlining also reduced operating costs for the two governments by making the process far more efficient for all involved. Based on the success in that part of the province, a second phase began for people in southern Alberta in February 2007.

Priority ❷

Achieving Client Information Integration

Canadians have often complained about having to provide the same information over and over when applying for different government programs. Consistent with its citizen-centred approach, Service Canada is addressing this issue by creating a single, integrated set of information on individual clients—all supported by appropriate privacy protections—that can be drawn on when they apply for benefits or services. In developing this information base, Service Canada used a 2006–2007 plan containing three elements (as set out in the *Report on Plans and Priorities*). However, as noted earlier, one element, Achieving Processing Automation, has been reported with Service Canada's integrity commitments. The remaining two elements within this priority are: Establishing a One-Client View and Achieving Information Integration, and Transforming Vital Events Management.

Establishing a One-Client View and Achieving Information Integration

To provide high-quality service to Canadians, Service Canada staff needs to be able to use the most complete information possible on individuals. While taking privacy issues into account and ensuring appropriate privacy protection, as the systems are designed. Service Canada is bringing together approaches and best practices from other organizations to collect, use and integrate information to better serve Canadians. Integrating information reduces the administrative burden for Canadians who deal with Service Canada and brings more efficiency, since Service Canada staff gain a clear view of what data is required and can merge duplicated data. The creation of this integrated "one client view" is complex and requires substantial planning and testing to achieve the best results with the most efficient use of public funds, all the while respecting Privacy legislation and guidelines. During the year, Service Canada developed a One Client View

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[27] **http://www.pch.gc.ca/progs/multi/redress-redressement/index_e.cfm**

[28] **http://www1.servicecanada.gc.ca/en/gateways/individuals/audiences/unions.shtml**

[29] **http://www.hrsdc.gc.ca/en/epb/lmd/lmda/ontario/index.shtml**

Strategy and identified three different concepts for how it could be developed further. Testing of different client interaction scenarios began to compare the concepts to likely "real world" uses by Canadians.

Transforming Vital Events Management

Accurate identity information in the Social Insurance Register is a critical requirement for citizen-centred service and to address abuse in social programs Human Resources and Social Development Canada and Service Canada have been seeking to improve the integrity of Social Insurance Register data by moving from manual information entry based on inputs from many sources to standardized exchanges with the organizations in provincial and territorial governments that are responsible for recording vital events such as births and deaths. Working with provinces and territories and with other federal departments, Service Canada has been able to increase the accuracy of the Social Insurance Register through more timely and complete updates of vital event information such as birth, death and immigration data.

During the year, Service Canada worked towards developing a government-wide approach to the management of vital events, as well as an implementation strategy and business plan. It signed a memorandum of understanding on vital events with the Government of Alberta, which added to the two in place with Ontario and British Columbia that enable the validation of identity documents.

In Ontario, province-wide implementation of the new Newborn Registration Service was launched in September 2006.[30] Almost 16,000 families took advantage of the service that enables them to apply online to register the birth of their child, obtain a birth certificate and a Social Insurance Number through a single application. A similar process with British Columbia was developed and tested for implementation in April 2007.

Approximately 45,000 historical death records and over 92,000 death notifications from Ontario were received and matched against the Social Insurance Register. In addition, nearly 226,000 historical death records were received from British Columbia and over 700,000 historical death records were received from Alberta.

Negotiations were undertaken between Service Canada and Citizenship and Immigration Canada toward agreements that, when finalized and implemented, will enable newcomers to Canada to apply for a Social Insurance Number during the immigration process and will give Service Canada access to Citizenship and Immigration Canada's citizenship database to validate the data provided by the applicant.

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[30] **http://www.servicecanada.gc.ca/en/sin/apply/newborn.shtml**

Achievements Against Priorities

Work as a Collaborative and Networked Government

Plan	2006–2007 Achievements
Priority: Transforming service to Canadians	
Building our capacity as the Government of Canada network of choice	• Service Canada delivered services on behalf of 13 federal organizations • Year 1 of service for Transport Canada resulted in 123,312 pleasure craft licences issued • The Canada Pension Plan-Employment Insurance Contributors project consists of reviewing, correcting and collecting applicable Canada Pension Plan-Employment Insurance contributions by Canada Revenue Agency • Local services responded to emergencies, (for example, ensuring business owners and residents who lost jobs as the result of a fire in Saskatchewan could benefit from Service Canada service offerings) and planning took place to be ready for pandemic influenza
Building partnership strategies	• 5 new or expanded agreements with federal organizations for Service Canada service delivery • Support for work of the Blue Ribbon Panel on Grants and Contributions • Managed the transfer of labour market program responsibilities (including staff and resources) in Ontario to the provincial government, while providing seamless service over the transition
Priority: Achieving client information integration	
Establishing a one client view and achieving information integration	• One Client View Strategy developed with 3 concepts for its further development created and tested
Transforming vital events management	• Agreements with British Columbia and Alberta to share data on vital events (including on \births and deaths) • Implementation of Ontario Newborn Registration Service for parents • Received death data from British Columbia, Alberta and Ontario and implemented ongoing death notification with Ontario

Program Indicators

Service Indicators	Notes
Increase in number of Service Canada points of service (from 320 in March 2005) **Target:** 533 **Result:** 587	
24/7 availability of Internet – information and transaction (compared to March 2005 where only information was accessible online) **Target:** 95% **Result:** 99.3%	
Percentage of calls answered by an agent within 180 seconds **Target:** 95% **Result:** 58.5%	**Result** for the Canada Student Loans Program: 98.4%: **Result** for Canada Pension Plan and Old Age Security: 85% **Result** for Employment Insurance: 44% within 180 seconds **Result** for Employment Insurance: 67% within 5 minutes A number of changes were made to address the service challenges posed by Employment Insurance's summer and winter peak periods. As a result of these continuous improvements, Employment Insurance call centres were successful in achieving a 72% service level in March at the height of the winter-peak period.
Extend hours of service in Service Canada Centres (from 0 in March 2005) **Target:** 60 **Result:** 53	
Percentage of availability of the Interactive Voice Response System **Target:** 95% **Result:** 98%	
Maintain or reduce number of official language complaints **Target:** Actual results to be reported **Result:** 23	
Establish Official Language Minority Community Groups points of service (from 0 in March 2005) **Target:** 17 **Result:** 33	Of the 33, 23 are outreach sites, including 1 community partner.
Offer service in languages other than English or French (from 0 in March 2005) **Target:** 10 **Result:** 19	A total of 7 fact sheets/publications were made available in languages other than English or French (in 7 Aboriginal languages/dialects and in 12 foreign languages).

Service Indicators	Notes
Provide forms online in formats accessible for people with disabilities **Target:** 10 **Result:** 11	
Percentage of notifications sent within seven days of receipt of applications **Target:** 80% **Result:** 65.6%	Includes the automated and non-automated notifications for Canada Pension Plan, Employment Insurance in addition to the Old Age Security inquiries. Results will improve with automation of claims (Old Age Security planned for 2009).
Percentage of Employment Insurance payments issued within 28 days of filing **Target:** 80% **Result:** 79.7%	
Percentage of passports delivered by Passport Canada within 20 working days of receiving the application from Service Canada, excluding mailing time **Target:** 90% **Result:** Accountability rests with Passport Canada to report on results	Memorandum of Understanding between Human Resources and Social Development Canada and Passport Canada was signed where there was an agreement to measure the "effectiveness of the Passport Receiving Agents (Service Canada)". Indicators were developed to measure critical and non-critical errors committed by Service Canada as a receiving agent.
Percentage of Canada Pension Plan retirement first payment within the month of entitlement **Target:** 85% **Result:** 92.8%	
Percentage of Old Age Security first payment issued within 30 days of entitlement **Target:** 90% **Result:** 94.1%	
Percentage of pleasure craft licences issued in one visit (service not offered in March 2005) **Target:** 90% **Result:** 80%	
Percentage of Social Insurance Numbers issued in one visit (service not offered in March 2005) **Target:** 90% **Result:** 67%	Results for this new service showed a steady increase throughout the fiscal year from a base of 0.
Maintain or increase client satisfaction **Target:** Actual result to be reported **Result:** Not available	Survey not conducted.

The following indicators also provide information concerning the Department's performance.

Additional Measures

Indicators	Notes
Web Usage **Target:** Actual volumes to be reported **Result:** 22,364,438	
Phone Usage – Agent Calls (Total number of specialized and general call answered by agents) **Target:** Actual volumes to be reported **Result:** 11,227,567	
Phone Usage – interactive voice response system calls **Target:** Actual volumes to be reported **Result:** 49,541,252	
Service Canada Centre visits (in-person) **Target:** Actual volumes to be reported **Result:** 9,275,672	
Accuracy rate of Employment Insurance benefit payments **Target:** 95% **Result:** 94.8%	
Employment Insurance Appeals scheduled to be heard by the Board of Referees within 30 days of receipt of the appeal **Target:** 90% **Result:** 87.1%	
Employment Insurance client appeal dockets received at the office of the Umpire within 60 days from date of appeal filing (date of receipt) **Target:** 100% **Result:** 99.5%	
Number of employment programs clients served **Target:** 675,000 **Result:** 661,714 including former and non-insured Employment Benefits and Support Measures claimants	In the 2006–2007 results, there were an additional 44,977 Career Placements participants served.
Annual increase in job seekers in Job Bank **Target:** increase by 5% **Result:** increased by 49%	Important increase likely due to the consolidation of Job Bank and Job Cluster services (which includes Job Alert from Training and Careers). This item is reflected by the number of visits to our site (94 million for 2006–2007 versus 63 million for 2005–2006).
Annual increase in vacancies posted in Job Bank **Target:** increase by 5% **Result:** increased by 11.7%	Increase from 948,198 jobs for 2005–2006 to 1,073,948 jobs for 2006–2007.

Indicators	Notes
Client satisfaction with labour market information products and services – usefulness in conducting a job search **Target:** Actual result to be reported **Result:** Not available	Survey was not conducted.
Passport applications handled **Target:** Actual volumes to be reported **Result:** 67,260	
Pleasure Craft Licences applications handled **Target:** Actual volumes to be reported **Result:** 123,312	
Social Insurance Number Applications (requests) received **Target:** Actual volumes to be reported **Result:** 1,564,224	
Canada Pension Plan Applications (processed) **Target:** Actual volumes to be reported **Result:** 614,173	
Employment Insurance Applications (initial and renewal claims received) **Target:** Actual volumes to be reported **Result:** 2,702,444	
Old Age Security Applications (processed) **Target:** Actual volumes to be reported **Result:** 808,972	Volume does not include the 1,390,375 Guaranteed Income Supplement automatic renewals
Number of new Service Offerings **Target:** Actual volumes to be reported **Result:** 13	

For more details on programs supporting this activity, please see Section IV – Other Items of Interest

Financial and Human Resources 2006–2007

Service Canada

Gross Operating Expenditures Financial Resources (in millions of dollars)	PLANNED SPENDING	AUTHORITIES	ACTUALS
Labour Market	1,259.9	1,160.8	1,158.6
Homelessness	22.8	17.6	17.6
Workplace Skills	53.1	62.6	62.5
Service Delivery	556.5	587.8	568.5
Total Service Canada	1,892.3	1,828.8	1,807.2
Full Time Equivalent - Total	20,531	19,597	19,597

DPR Expenditure Profile 2006–2007

Service Canada

(millions of dollars)

	PLANNED SPENDING	AUTHORITIES	ACTUALS
Budgetary			
Operating Costs (Vote 1 & 10)	563.3	580.8	571.1
Delivery Cost related to:			
• Employment Insurance Account	1,138.4	1,022.6	1,015.9
• Canada Pension Plan	190.6	225.4	220.2
Sub-total	1,329.0	1,248.0	1,236.1
Gross Operating Costs	1,892.3 [a]	1,828.8 [a]	1,807.2 [a]
Delivered on behalf of Human Resources and Social Development Canada[b]			
Voted Grants and Contributions (Vote 5 & 15)	686.1	756.4	680.6
Statutory Payments:			
• Old Age Security	23,255.0	22,878.8	22,878.8
• Guaranteed Income Supplement	6,820.0	6,901.1	6,901.1
• Allowance Payments	500.0	504.1	504.1
Sub-total Statutory Payments	30,575.0	30,284.0	30,284.0
Canada Pension Plan benefits	26,132.3	26,115.3	26,115.3
Employment Insurance benefits			
• Part I	12,442.0	11,992.5	11,992.5
• Part II	2,048.9	2,050.3	2,046.1
Sub-total Employment Insurance benefits	14,490.9	14,042.8	14,038.6
LMDA - System Enhancement Costs	7.6	7.6	5.5
LMDA - Office Re-fit	1.0	1.0	0.7
Total Statutory Transfer Payments	71,206.8	70,450.7	70,444.1
Total Delivered on behalf of HRSDC	71,892.9 [c]	71,207.1 [c]	71,124.7 [c]
Consolidated Total	**73,785.2**	**73,035.9**	**72,931.9**

[a] Includes statutory items for employee benefit plans.

[b] The financial strategy for Service Canada establishes that statutory funds, including Employment Insurance, Canada Pension Plan, Old Age Security and voted grants and contributions related to the delivery of specified programs are allocated annually by HRSDC.

[c] This amount directly benefits Canadians or organizations and is delivered on behalf of HRSDC.

Financial and Human Resources 2006–2007

Service Delivery

GROSS SPENDING (MILLIONS OF DOLLARS)	PLANNED SPENDING	AUTHORITIES	ACTUAL
Human Resources and Skills Development Canada			
Gross Operating Expenditures	109.4	122.4	117.5
Social Development Canada			
Gross Operating Expenditures	447.1	522.7	498.4
Total	**556.5**	**645.1**	**615.9**
FULL TIME EQUIVALENTS	6,305	6,422	6,422

Details by Program and Services 2006–2007

Service Delivery

Financial Resources (in millions of dollars)			
	Planned Spending	**Authorities**	**Actual Spending**
Service Delivery - Human Resources and Skills Development Canada	75.8	80.6	75.9
Allocated Corporate Services[a]	33.6	41.8	41.6
Sub-Total	109.4	122.4	117.5
Service Delivery - Social Development Canada	447.1	522.4	498.2
Other[b]	-	0.3	0.2
Total [c]	**556.5**	**645.1**	**615.9**
Human Resources			
Total FTE	6,305	6,422	6,422

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[a] Corporate Services resources related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services have been prorated to each Strategic Outcome.

[b] Other category is for disposal of crown asset

[c] This amount includes resources for the delivery of programs and services by Service Canada. For a full accounting of Service Canada's operations please refer to the following table.

Section III

Supplementary Information

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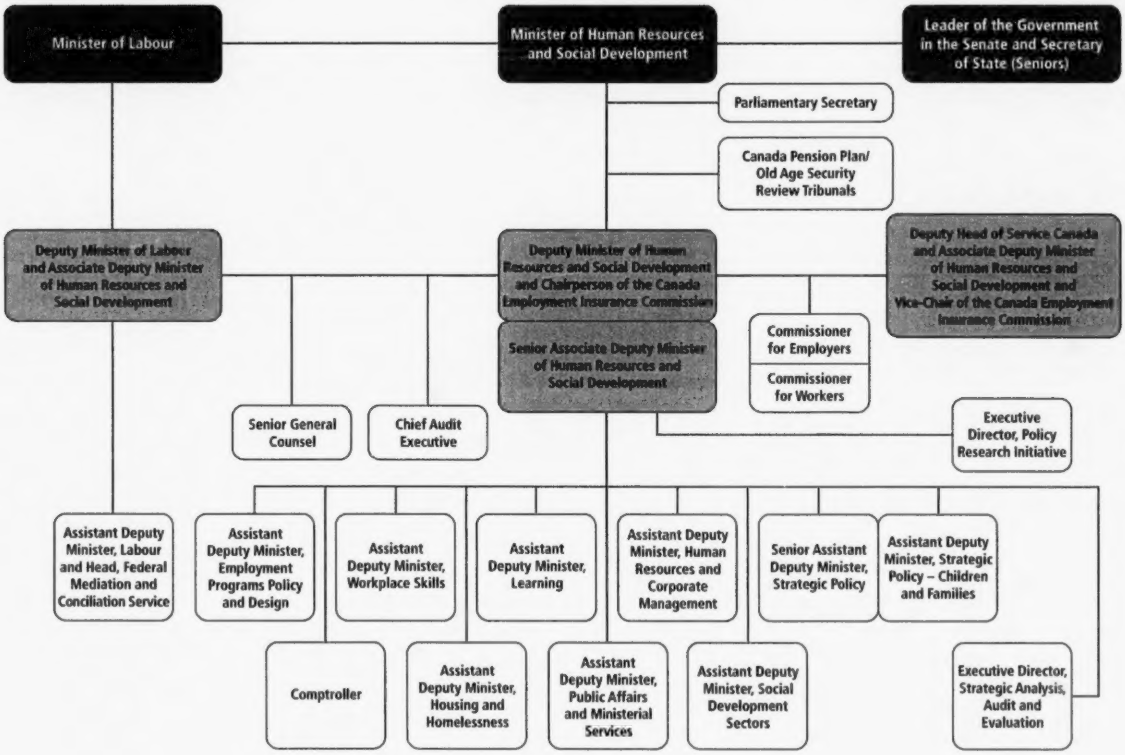
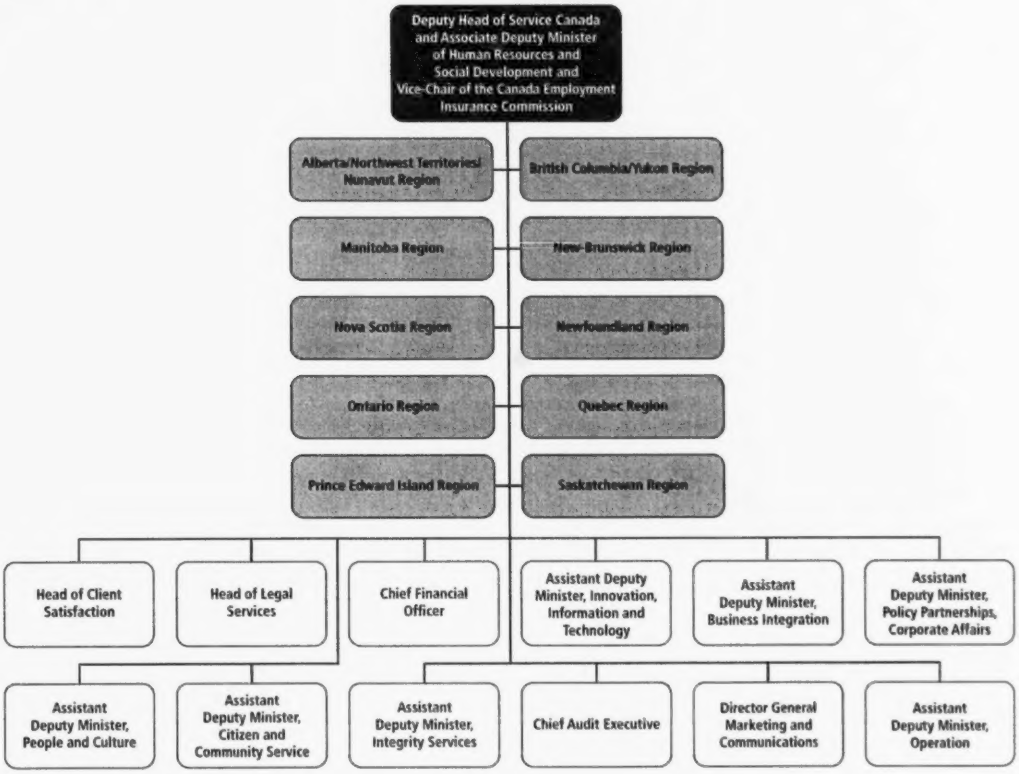
Organizational Information

Human Resources and Social Development Canada


Minister of Labour
Minister of Human Resources and Social Development
Leader of the Government in the Senate and Secretary of State (Seniors)
Parliamentary Secretary
Canada Pension Plan/ Old Age Security Review Tribunals
Deputy Minister of Labour and Associate Deputy Minister of Human Resources and Social Development
Deputy Minister of Human Resources and Social Development and Chairperson of the Canada Employment Insurance Commission
Deputy Head of Service Canada and Associate Deputy Minister of Human Resources and Social Development and Vice-Chair of the Canada Employment Insurance Commission
Senior Associate Deputy Minister of Human Resources and Social Development
Commissioner for Employers
Commissioner for Workers
Senior General Counsel
Chief Audit Executive
Executive Director, Policy Research Initiative
Assistant Deputy Minister, Labour and Head, Federal Mediation and Conciliation Service
Assistant Deputy Minister, Employment Programs Policy and Design
Assistant Deputy Minister, Workplace Skills
Assistant Deputy Minister, Learning
Assistant Deputy Minister, Human Resources and Corporate Management
Senior Assistant Deputy Minister, Strategic Policy
Assistant Deputy Minister, Strategic Policy – Children and Families
Comptroller
Assistant Deputy Minister, Housing and Homelessness
Assistant Deputy Minister, Public Affairs and Ministerial Services
Assistant Deputy Minister, Social Development Sectors
Executive Director, Strategic Analysis, Audit and Evaluation

HRSDC – Service Canada


Deputy Head of Service Canada and Associate Deputy Minister of Human Resources and Social Development and Vice-Chair of the Canada Employment Insurance Commission
Alberta/Northwest Territories/ Nunavut Region
British Columbia/Yukon Region
Manitoba Region
New-Brunswick Region
Nova Scotia Region
Newfoundland Region
Ontario Region
Quebec Region
Prince Edward Island Region
Saskatchewan Region
Head of Client Satisfaction
Head of Legal Services
Chief Financial Officer
Assistant Deputy Minister, Innovation, Information and Technology
Assistant Deputy Minister, Business Integration
Assistant Deputy Minister, Policy Partnerships, Corporate Affairs
Assistant Deputy Minister, People and Culture
Assistant Deputy Minister, Citizen and Community Service
Assistant Deputy Minister, Integrity Services
Chief Audit Executive
Director General Marketing and Communications
Assistant Deputy Minister, Operation

Financial Performance Overview

Please note that financial tables provided in this section present Human Resources and Skills Development and Social Development separately in order to align with the 2006–2007 Main Estimates.

Human Resources and Skills Development Canada

In 2006–2007, the department was authorized to spend $19,449.7 million or $269.6 million less than the consolidated planned spending of $19,719.3 million (tables 1 and 3). The variance is explained by:

- A decrease of $332.8 million in the Specified Purpose Accounts mostly attributable to a revised forecast of Employment Insurance Part I benefits in the Employment Insurance Account. Employment Insurance benefits declined mainly as a result of a decrease in the number of beneficiaries, consistent with lower unemployment;
- A net decrease of $195.6 million in the statutory payment authorities mostly attributable to:
  - A decrease of $70.0 million in Canada Education Savings Grants (CESG), due to downward estimate adjustment mainly due to sluggish payments of the Additional CESG (A-CESG). Lower than expected A-CESG payments are attributable to several factors including low awareness and more gradual implementation from Registered Education Savings Plan promoters;
  - A decrease of $58.2 million in Payments related to the direct financing arrangement under the *Canada Student Financial Assistance Act*, is mainly due to a decrease in the alternative payments payable to non-participating provinces, resulting from the fact that defaulted loans, which is a component of that payment, was significantly reduced;
  - A decrease of $28.7 million for the Wage Earner Protection Program which was not implemented in 2006–2007;
  - A decrease of $27.3 million in Liabilities under the *Canada Student Loans Act* due to the fact that actual spending is presented net of the recoveries on claims while the planned spending represents the forecast expenditure of claims payments;
  - A decrease of $23.2 million in Canada Learning Bond due to downward estimate adjustment due to limited uptake as a result of the recent introduction of the Canada Learning Bond, delayed readiness of the delivery systems of Registered Education Savings Plan promoters, and limited marketing of the Canada Learning Bond from communications and outreach activities;
  - A decrease of $23.0 million associated with contributions to employee benefit plans.
  - An increase of $26.5 million in Canada Study Grants, is the result of higher than expected up-take of the Canada Access Grants (Low Income Families and Permanent Disability), proposed in Budget 2004 and effective August 2005.
  - An increase of $7.4 million for the provision of funds for interest payments and liabilities in the form of Risk Shared loans under the *Canada Student Financial Assistance Act*. The variance is mainly due to the continuous impact of debt management measures as well as the outstanding balance of the in-study portfolio being higher and expiring slower than previously forecasted.
- A decrease of $10.8 million in grants and contributions mostly related to:
  - A decrease of $31.6 million for the Workplace Skills Initiative reprofiled to future years;
  - A decrease of $24.8 million further to the announcement of September 25, 2006 on Effective Spending of which $10 million is related to the Youth Employment Strategy, $8.0 million related to the Training Centre Infrastructure Fund, $4.8 million related to the Adult Learning Literacy and Essential Skills program and $2.0 million related to Workplace Partners Panel;
  - A decrease of $6.2 million for items included in planned spending for which resources were not requested in 2006–2007 for Aboriginal Skills and Employment Partnerships ($5.3 million) and Foreign Credential Recognition ($1.0 million);
  - Offset by an increase of $52.2 million further to:
    - a reprofile from 2005–2006 to 2006–2007 for the National Homelessness Initiative ($37.2 million);

    - new funding announced for the Targeted Initiative for Older Workers and Expert Panel ($8.0 million) to assist unemployed older workers in communities with ongoing high unemployment and/or affected by downsizing; and
    - additional funding for the Apprenticeship Incentive Grant of $7.0 million (from $25.0 million to $32.0 million), to encourage more Canadians to pursue apprenticeships and reward progression by providing $1,000 per year to apprentices successfully completing their first or second year of an apprenticeship program in a Red Seal Trade.
- An increase of $250.4 million in Loans disbursed under the *Canada Student Financial Assistance Act* is mainly due to actual gross amount of repayments being much lower than anticipated as a result of the major decrease in accounts returned to government.
- An increase of $19.2 million in net operating expenditures mainly due to:
  - o Operating budget Carry-forward from 2005–2006 ($13.3 million);
  - o Compensation for salary adjustments ($8.3 million);
  - o Transfer from the Privy Council Office of $3.1 million for the Policy Research Initiative as a result of government restructuring;
  - o Operating funds for Targeted Initiative for Older Workers and Expert Panel ($2.7 million);
  - o Funding to enable the Labour Program to respond to critical program pressures resulting from steadily increasing responsibilities ($1.8 million);
  - o Offset by decreases for:
    - Items included in planned spending for which resources were not requested in 2006–2007 such as Wage Earner Protection Program ($3.2 million) and Foreign Credential Recognition, ($1.0 million);
    - An amount of $2.3 million transferred to Social Development Canada for the training of employees to achieve high service delivery standards for Canadians;
    - Funding no longer required pursuant to modified resourcing requirements of the new recovery initiative of the Canada Student Loans ($2.1 million);
    - A decrease of $2.0 million further to the announcement of September 25, 2006 on Effective Spending;

The actual consolidated expenditures of $19,235.4 million were $214.3 million lower than our total consolidated authorities of $19,449.7 million. This was mainly due to:

- Grants and contributions expenditures being $108.6 million less than the authorities for:
  - o The Apprenticeship Incentive Grant ($31.3 million). Funding approval for the Apprenticeship Incentive Grant was confirmed at the end of March 2007. The launch and promotional activities required to create awareness of the new program were delayed;
  - o The Homelessness Initiative ($25.1 million), this amount will be requested for re-profile to 2007–2008 to ensure that funds will be available for proposals that are developed for activities to alleviate homelessness;
  - o Adult Learning, Literacy and Essential Skills Program ($13.1 million) mainly due to a late launch of Call for Proposals deferring spending to 2007–2008;
  - o Youth Employment Strategy ($8.1 million), due to the uncertainty in determining funding requirements for the Skills Link initiative;
  - o Targeted Initiative for Older Workers ($8.0 million), due to length of time to sign Federal-Provincial/Territorial agreements, pushing required work into 2007–2008;
  - o The contribution agreement with Joint Voisey's Bay Employment and Training Authority ended earlier than anticipated on March 31, 2006, as the construction of the Voisey's Bay Nickel/Mine site was a year ahead of schedule ($4.7 million);
  - o Aboriginal Skills and Employment Partnerships ($3.8 million), due to length of time to establish the agreements. The funds were re-profiled into future years;
  - o Sector Council Program ($3.8 million), a result of delays in the implementation of certain projects;
  - o Costs were lower than anticipated for the World Urban Forum ($2.4 million) due to a favourable exchange rate. Funds set aside for contingencies were not required as the event ran smoothly;
  - o Foreign Credential Recognition ($2.1 million) due to projects deferred to future years, particularly in the agreements with provinces;
  - o Workplace Skills Initiative ($2.0 million) due to a deferral of projects to the next fiscal year;
  - o Training Centre Infrastructure Fund ($1.5 million) partly due to the withdrawal of projects by the recipients;

  - o Labour Management Partnership Program ($1.2 million) due to the non-approval of some projects;
  - o Other lapses ($1.5 million).
- A decrease of $96.7 million in the Specified Purpose Accounts. The variance is related to the
  - o Employment Insurance Account with $35.5 million in Employment Insurance Part I; Employment Insurance benefits declined in 2006–2007 due to a decrease in the number of beneficiaries, consistent with lower unemployment, and due to the introduction of the Quebec Parental Insurance Plan,
  - o $50.7 million in Employment Insurance Part II out of a total budget of $2.166 billion, due to normal delays in the implementation of projects and lower than expected expenditures by some projects;
  - o $49.5 million in administrative costs, mainly due to a lapsed surplus of $30.4 million for Human Resources and Social Development Canada and $12.8 million for Social Development Canada;
  - o offset by $43.9 million in doubtful accounts as a result of an increase in the overpayments bad debt;
  - o and to the Canada Pension Plan Account with $4.9 million in administrative costs; and
- A net operating lapse of $ 9.0 million related to $1.6 million in frozen resources and $7.4 million in general lapse. The frozen items are attributable to the Canada Student Loans Program ($1.1 million), and a year-end transfer price between salary and non-salary ($0.5 million).

Social Development Canada

In 2006–2007, the department was authorized to spend $60,787.3 million or $700.8 million more than the consolidated planned spending of $60,086.5 million (tables 1 and 3). The variance is explained by:

- A variance of $646.4 million in Grants and Contributions representing the residual amount frozen for the National Early Learning Program.
- An increase of $166.6 million in the Specified Purpose Accounts related to the Canada Pension Plan and the Employment Insurance accounts:
  - o an amount of $115.0 million for the administrative costs of the Canada Pension Plan Investment Board which was previously netted against the revenues of the Board;
  - o a $35.7 million increase in administrative costs payable to the Canada Revenue Agency related to a $31.5 million increase and adjustment in the basic costs to administer Part I of the Canada Pension Plan and $4.2 million to undertake a special Canada Pension Plan contribution project;
  - o an increase of $27.7 million in other Canada Pension Plan administration costs;
  - o In the Employment Insurance Account, the increase in departmental administrative costs ($5.2 million) is mainly due to collective bargaining increases.
  - o The increase is offset by a revision to forecast in Canada Pension Plan benefits of $17.0 million.
- An increase of $14.4 million in net operating expenditures is largely due to:
  - o Compensation for salary adjustments ($14.8 million);
  - o Operating budget Carry forward from 2005–2006 ($11.9 million);
  - o An increase of $7.7 million for Service Canada to deliver the lump sum payments recognizing the experience of residing at an Indian Residential School and its impact (Common Experience Payments);
  - o An amount of $2.3 million transferred from Human Resources and Skills Development for the training of employees to achieve high service delivery standards for Canadians;
  - o Offset by decreases as a result of:
    - Transfers to the Canada Revenue Agency and Public Works and Government Services Canada for National Collection Services ($20.0 million);
    - The announcement of September 25, 2006 on Effective Spending related to Understanding the Early Years ($2.9 million); and
- A net decrease of $126.6 million in statutory payment authorities mostly related to:
  - o a decrease of $376.2 million in the Old Age Security (OAS) forecast can be attributed to several factors. The average monthly rate of the Old Age Security pension for 2006–2007 was less than forecasted due to a greater proportion of partial pensions. There was also an increase in the average number of monthly Old Age Security recipients. Lastly there was an increase in forecasted benefit repayment from higher-income Old Age Security recipients through the Old Age Security Recovery Tax.
  - o a transfer of $18.5 million to the Canada Revenue Agency for the National Collection Services and Collection, Litigation and Advisory Services as a result of government restructuring;

- offset by increases for:
  - Universal Child Care Benefits paid to Canadian families with young children ($174.4 million);
  - Guaranteed Income Supplement ($81.1 million) resulting from an increase in the forecasted average monthly rate. In 2006–2007, the average monthly Guaranteed Income Supplement rate was higher than estimated. This increase was partially offset by a decrease in the average forecasted number of monthly recipients;
  - Contributions to the Employee Benefit Plan ($4.5 million);
  - Allowance Payment ($4.1 million) which can be attributed to an increase in the forecasted average monthly rate of the benefit; and
  - Energy cost benefits ($3.7 million) which are one-time payments for energy costs incurred by low income seniors and families with children.

The actual consolidated expenditures of $60,070.7 million were $716.6 million lower than our total consolidated authorities of $60,787.3 million. The variance is largely explained by:

- A net operating lapse of $33.6 million resulting from $15.0 million in frozen resources such as the Canada Student Loans Program ($2.9 million) and year-end transfer price between salary and non-salary ($12.1 million) and $18.6 million in general lapse;
- A Grants and Contributions variance of $657.5 million including $648.6 million in frozen resources and $8.9 million in general lapse; and
- A decrease of $25.4 million in Special Purpose Accounts related to a decrease in administration costs recoverable from the Employment Insurance and the Canada Pension Plan accounts.

Table 1A Comparison of Planned to Actual Spending (including full-time equivalent) Human Resources and Skills Development Canada

			2006-2007			
(millions of dollars)	2004-2005 Actual	2005-2006 Actual	Main Estimates [a]	Planned Spending	Authorities	Actual
Program Activities [b]						
Employment Insurance	554.3	838.1	883.4	879.5	760.3	750.5
Employment Programs	744.8	928.9	969.2	997.2	988.9	953.1
Workplace Skills	73.8	120.7	184.5	219.3	186.2	141.5
Learning	889.4	1,009.8	1,226.9	1,227.2	1,078.6	1,052.4
Labour	182.3	221.8	217.3	249.2	231.6	230.4
Homelessness	117.8	171.9	188.3	188.1	219.9	190.3
Service Delivery	89.0	158.3 [c]	128.1	109.4	122.4	117.5
Policy and Program Support	90.0	161.3	103.2	120.1	141.6	140.9
Total Gross Expenditures	2,741.4	3,610.8	3,900.9	3,990.0	3,729.5	3,576.6
Respendable revenues	(865.3)	(1,400.6)	(1,425.8)	(1,435.2)	(1,362.0)	(1,326.7)
Total Net Expenditures	1,876.1	2,210.2	2,475.1	2,554.8	2,367.5	2,249.9
Non-Budgetary						
Loans disbursed under the *Canada Student Financial Assistance Act*	1,215.7	1,331.3	981.5	981.5	1,231.9	1,231.9
Total Department	3,091.8	3,541.5	3,456.6	3,536.3	3,599.4	3,481.8
Plus: Specified Purpose Accounts						
Employment Insurance	16,384.6	16,050.3		16,260.7	15,931.7	15,814.6
Other Specified Purpose Accounts	55.1	51.4		48.3	48.6	48.6
Departmental Recoveries charged to the CPP	5.3	13.0		14.7	15.8	10.9
Departmental Employee Benefit Plan recoverable from EI Account	(83.8)	(132.8)		(140.7)	(145.8)	(120.5)
Consolidated Total HRSDC	**19,453.0**	**19,523.4**		**19,719.3**	**19,449.7**	**19,235.4**
Less: Non-Respendable Revenues	374.4	512.7		648.5	640.4	640.4
Plus: Cost of services received without charge	173.0 [d]	18.4		17.7	20.8	20.8
Net cost of HRSDC	19,251.6	19,029.1		19,088.5	18,830.1	18,615.8
Full Time Equivalents	12,531	17,094	18,006	18,068	17,060	17,060

[a] As published in Main Estimates 2006–2007.

[b] Amounts include resources for Corporate Services related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Offfice and the Shared Services prorated to each program activity.

[c] The amounts include resources related to the Toronto Waterfront Revitalization Initiative.

[d] Includes services received without charge from SDC for corporate services.

Table 1B Comparison of Planned to Actual Spending (including full-time equivalent) Social Development Canada

			2006-2007			
(millions of dollars)	2004-2005 Actual	2005-2006 Actual	Main Estimates	Planned Spending	Authorities	Actual
Program Activities						
Social Investment	28,365.2	29,959.4	31,009.7	33,291.9	33,139.1	33,107.4
Social Development Policy & Innovation	2.2	2.3	684.8	67.3	710.5	54.7
Service Delivery	144.2	152.3	508.8	447.1	522.7	498.4
Effective Corporate Services	829.2 [a]	-	-	-	-	-
Total Gross Expenditures	29,340.8	30,114.0	32,203.3	33,806.3	34,372.3	33,660.5
Respendable revenues	(780.8)	(295.0)	(301.2)	(300.9)	(332.7)	(312.1)
Total Net Expenditures	28,560.0	29,819.0	31,902.1	33,505.4	34,039.6	33,348.4
Plus: Specified Purpose Accounts						
Canada Pension Plan [b]	24,179.8	25,439.2		26,530.1	26,693.6	26,689.2
Departmental Recoveries charged to EI	560.6	66.6		68.8	74.0	61.2
Departmental Employee Benefit Plan recoverable from CPP Account	(25.9)	(27.1)		(17.8)	(19.9)	(28.1)
Consolidated Total SDC	53,274.5	55,297.7		60,086.5	60,787.3	60,070.7
Less: Non-Respendable Revenues	83.5	41.3		26.8	41.7	41.7
Plus: Cost of services received without charge	12.2	14.4		16.7	14.2	14.2
Net cost of SDC	53,203.2	55,270.8		60,076.4	60,759.8	60,043.2
Full Time Equivalents	11,390	6,632	6,226	6,206	6,042	6,042

[a] Includes Shared Services for both HRSDC and SDC. In 2005–2006, HRSDC's portion of the Shared Services was transferred to HRSDC. The remainder of Corporate Services was charged to the other program activities.

[b] Amounts for Canada Pension Plan for 2004–2005 and 2005–2006 have been restated to include CPP Investment Board Administrative Expenses, as presented in 2006–2007

Table 2A Resources by Program Activity Human Resources and Skills Development Canada

	BUDGETARY							PLUS: NON BUDGETARY	
(millions of dollars)	Operating	Voted Grants and Contributions	Sub-total: Gross Expenditures	Statutory Grants and Contributions	Total Gross Expenditures	Less: Respendable Revenues	Total Net Budgetary Expenditures	Loans under CSFAA	TOTAL[b]
PROGRAM ACTIVITIES									
Employment Insurance									
Main Estimates[a]	883.3	-	**883.3**	0.1	883.4	(783.3)	**100.1**	-	**100.1**
Planned Spending	879.3	-	**879.3**	0.2	879.5	(780.0)	**99.5**	-	**99.5**
Authorities	760.2	-	**760.2**	0.1	760.3	(674.0)	**86.3**	-	**86.3**
Actual	750.4	-	**750.4**	0.1	750.5	(664.5)	**86.0**	-	**86.0**
Employment Programs									
Main Estimates[a]	429.0	540.2	**969.2**	-	969.2	(322.2)	**647.0**	-	**647.0**
Planned Spending	444.9	552.3	**997.2**	-	997.2	(330.1)	**667.1**	-	**667.1**
Authorities	445.5	543.4	**988.9**	-	988.9	(334.7)	**654.2**	-	**654.2**
Actual	434.6	518.5	**953.1**	-	953.1	(324.9)	**628.2**	-	**628.2**
Workplace Skills									
Main Estimates[a]	96.1	88.4	**184.5**	-	184.5	(56.4)	**128.1**	-	**128.1**
Planned Spending	102.9	116.4	**219.3**	-	219.3	(62.0)	**157.3**	-	**157.3**
Authorities	106.9	79.3	**186.2**	-	186.2	(64.1)	**122.1**	-	**122.1**
Actual	102.9	38.6	**141.5**	-	141.5	(60.1)	**81.4**	-	**81.4**
Learning									
Main Estimates[a]	162.2	45.1	**207.3**	1,019.6	1,226.9	(15.6)	**1,211.3**	981.5	**2,192.8**
Planned Spending	162.5	45.1	**207.6**	1,019.6	1,227.2	(15.8)	**1,211.4**	981.5	**2,192.9**
Authorities	162.5	41.6	**204.1**	874.5	1,078.6	(16.4)	**1,062.2**	1,231.9	**2,294.1**
Actual	150.6	27.3	**177.9**	874.5	1,052.4	(9.4)	**1,043.0**	1,231.9	**2,274.9**
Labour									
Main Estimates[a]	213.4	3.9	**217.3**	-	217.3	(78.0)	**139.3**	-	**139.3**
Planned Spending	216.6	3.9	**220.5**	28.7	249.2	(78.0)	**171.2**	-	**171.2**
Authorities	227.7	3.9	**231.6**	-	231.6	(87.6)	**144.0**	-	**144.0**
Actual	227.7	2.7	**230.4**	-	230.4	(87.6)	**142.8**	-	**142.8**
Homelessness									
Main Estimates[a]	40.4	147.9	**188.3**	-	188.3	-	**188.3**	-	**188.3**
Planned Spending	40.2	147.9	**188.1**	-	188.1	-	**188.1**	-	**188.1**
Authorities	34.8	185.1	**219.9**	-	219.9	-	**219.9**	-	**219.9**
Actual	32.7	157.6	**190.3**	-	190.3	-	**190.3**	-	**190.3**
Service Delivery									
Main Estimates[a]	128.1	-	**128.1**	-	128.1	(89.2)	**38.9**		**38.9**
Planned Spending	109.4	-	**109.4**	-	109.4	(78.0)	**31.4**		**31.4**
Authorities	122.4	-	**122.4**	-	122.4	(88.6)	**33.8**	-	**33.8**
Actual	117.5	-	**117.5**	-	117.5	(83.7)	**33.8**	-	**33.8**
Policy and Program Support									
Main Estimates[a]	103.2	-	**103.2**	-	103.2	(81.1)	**22.1**	-	**22.1**
Planned Spending	120.1	-	**120.1**	-	120.1	(91.3)	**28.8**	-	**28.8**
Authorities	140.1	1.5	**141.6**	-	141.6	(96.6)	**45.0**	-	**45.0**
Actual	139.4	1.5	**140.9**	-	140.9	(96.5)	**44.4**	-	**44.4**
Total									
Main Estimates[a]	2,055.7	825.5	**2,881.2**	1,019.7	3,900.9	(1,425.8)	**2,475.1**	981.5	**3,456.6**
Planned Spending	2,075.9	865.6	**2,941.5**	1,048.5	3,990.0	(1,435.2)	**2,554.8**	981.5	**3,536.3**
Authorities	2,000.1	854.8	**2,854.9**	874.6	3,729.5	(1,362.0)	**2,367.5**	1,231.9	**3,599.4**
Actual	1,955.8	746.2	**2,702.0**	874.6	3,576.6	(1,326.7)	**2,249.9**	1,231.9	**3,481.8**

[a] As published in Main Estimates 2006–2007.

[b] Total excludes Specified Purpose Accounts.

Table 2B Resources by Program Activity Social Development Canada

	2006-2007						
(millions of dollars)	Operating	Voted Grants and Contributions	Sub-total: Gross Expenditures	Statutory Grants and Contribution	Total Gross Expenditures	Less: Respendable Revenues	TOTAL[b]
Social Investment							
Main Estimates[a]	138.1	296.6	434.7	30,575.0	31,009.7	(30.4)	**30,979.3**
Planned Spending	160.3	296.6	456.9	32,835.0	33,291.9	(49.0)	**33,242.9**
Authorities	120.4	296.6	417.0	32,722.1	33,139.1	(49.1)	**33,090.0**
Actual	99.8	285.5	385.3	32,722.1	33,107.4	(41.7)	**33,065.7**
Social Development Policy & Innovation							
Main Estimates[a]	34.8	650.0	684.8	-	684.8	(14.9)	**669.9**
Planned Spending	67.3	-	67.3	-	67.3	(21.5)	**45.8**
Authorities	64.1	646.4	710.5	-	710.5	(24.0)	**686.5**
Actual	54.7	-	54.7	-	54.7	(19.0)	**35.7**
Service Delivery							
Main Estimates[a]	508.8	-	508.8	-	508.8	(255.9)	**252.9**
Planned Spending	447.1	-	447.1	-	447.1	(230.4)	**216.7**
Authorities	522.7	-	522.7	-	522.7	(259.6)	**263.1**
Actual	498.4	-	498.4	-	498.4	(251.4)	**247.0**
Total							
Main Estimates[a]	681.7	946.6	1,628.3	30,575.0	32,203.3	(301.2)	**31,902.1**
Planned Spending	674.7	296.6	971.3	32,835.0	33,806.3	(300.9)	**33,505.4**
Authorities	707.2	943.0	1,650.2	32,722.1	34,372.3	(332.7)	**34,039.6**
Actu[illegible]	652.9	285.5	938.4	32,722.1	33,660.5	(312.1)	**33,348.4**

[a] As published in Main Estimates 2006–2007.

[b] Total excludes Specified Purpose Accounts.

Table 3A Voted and Statutory Items Human Resources and Skills Development Canada

Vote/ Statutory item	(millions of dollars)	2006-2007 Main Estimates [a]	 Planned Spending	 Authorities	 Actual
	Department				
1	Operating expenditures	323.2	333.3	352.5	343.5
5	Grants and contributions	825.4	865.6	854.8	746.2
(S)	Minister of Human Resources and Skills Development – Salary and motor car allowance	0.1	0.1	0.1	0.1
(S)	Minister of Labour – Salary and motor car allowance	0.1	0.1	0.1	0.1
(S)	Payments related to the direct financing arrangement under the *Canada Student Financial Assistance Act*	304.6	304.6	246.4	246.4
(S)	The provision of funds for interest payments under the *Canada Student Loans Act*	0.1	0.1	0.1	0.1
(S)	The provision of funds for liabilities including liabilities in the form of guaranteed loans under the *Canada Student Loans Act*	9.5	9.5	(17.8)	(17.8)
(S)	The provision of funds for interest and other payments to lending institutions and liabilities under the *Canada Student Financial Assistance Act*	46.4	46.4	53.8	53.8
(S)	Canada Study Grants to qualifying full and part-time students pursuant to the *Canada Student Financial Assistance Act*	119.9	119.9	146.4	146.4
(S)	Canada Education Savings Grant payments to Registered Education Savings Plans (RESPs) trustees on behalf of RESP beneficiaries to support access to encourage Canadians to save for post-secondary education of children	575.0	575.0	505.0	505.0
(S)	Canada Learning Bond payments to Registered Education Savings Plans (RESPs) trustees on behalf of RESP beneficiaries to support access to post-secondary education to children from low-income families	45.0	45.0	21.8	21.8
(S)	Wage Earner Protection Program	-	28.7	-	-
(S)	Supplementary Retirement Benefits – Annuities agents' pensions	-	-	-	-
(S)	Spending of proceeds from disposal of Crown Assets	-	-	0.1	0.1
(S)	Labour Adjustment benefits in accordance with the terms and conditions prescribed by the Governor in Council to assist workers who have been laid off as a result of import competition, industrial restructuring, or severe economic disruption	-	-	-	-
(S)	Civil Service Insurance actuarial liability adjustments	0.1	0.1	0.1	0.1
(S)	Payments of compensation respecting government employees and merchant seamen	48.0	48.0	48.8	48.8
(S)	Contributions to employee benefit plans	177.7	178.3	155.3	155.3
	Total Budgetary	2,475.1	2,554.7	2,367.5	2,249.9
	Plus: Non-Budgetary				
	Loans disbursed under the *Canada Student Financial Assistance Act*	981.5	981.5	1,231.9	1,231.9
	Total Department	3,456.6	3,536.2	3,599.4	3,481.8
	Plus: Specified Purpose Accounts:				
	Employment Insurance (EI) costs		16,260.7	15,931.7	15,814.6
	Other Specified Purpose Accounts costs		48.3	48.6	48.6
	Costs recoverable from the CPP		14.7	15.8	10.9
	Employee Benefit Plan recoverable from the EI Account		(140.6)	(145.8)	(120.5)
	Total Consolidated Expenditures		19,719.3	19,449.7	19,235.4
	Full Time Equivalents	18,006	18,068	17,060	17,060

[a] As published in Main Estimates 2005–2006.

Table 3B Voted and Statutory Items Social Development Canada

		2006-2007			
		Main Estimates [a]	Planned Spending	Authorities	Actual
Vote/ Statutory item	(millions of dollars)				
	Department				
10	Operating expenditures	295.6	289.1	303.5	269.9
15	Grants and contributions	946.6	296.6	943.0	285.5
(S)	Old Age Security Payments	23,255.0	23,255.0	22,878.8	22,878.8
(S)	Guaranteed Income Supplement payments	6,820.0	6,820.0	6,901.1	6,901.1
(S)	Allowance Payments	500.0	500.0	504.1	504.1
(S)	Universal Child Care Benefit	-	1,610.0	1,784.4	1,784.4
(S)	Child Care transfer to Prov. & Terr.	-	650.0	650.0	650.0
(S)	Energy Cost Benefits	-	-	3.7	3.7
(S)	Payments to private collection agencies pursuant to Section 17.1 of the *Financial Administration Act*	18.5	18.5	-	-
(S)	Spending proceeds from the disposal of surplus Crown assets	-	-	0.3	0.2
(S)	Contribution to employee benefit plans	66.4	66.2	70.7	70.7
	Total Department	31,902.1	33,505.4	34,039.6	33,348.4
	Plus: Specified Purpose Accounts:				
	Canada Pension Plan		26,530.1	26,693.6	26,689.2
	Departmental Recoveries charged to EI		68.8	74.0	61.2
	Departmental Employee Benefit Plan recoverable from CPP Account		(17.8)	(19.9)	(28.1)
	Total Consolidated Expenditures		60,086.5	60,787.3	60,070.7
	Full Time Equivalents	6,226	6,206	6,042	6,042

[a] As published in Main Estimates 2006–2007.

Table 4A Services Received Without Charge Human Resources and Skills Development Canada

(millions of dollars)	Actual 2006-2007
Contributions covering employers' share of employee's insurance premiums and expenditures paid by TBS	15.9
Salary and associated expenditures of legal services provided by Justice Canada	4.9
Total 2006-2007 Services received without charge.	**20.8**

Table 4B Services Received Without Charge Social Development Canada

(millions of dollars)	Actual 2006-2007
Contributions covering employers' share of employees' insurance premiums and expenditures paid by TBS (excluding revolving funds)	13.7
Worker's compensation coverage provided by Human Resources and Skills Development	0.3
Salary and associated expenditures of legal services provided by Justice Canada	0.2
Total 2006-2007 Services received without charge	**14.2**

Table 5 Loans, investments and advances (non-budgetary)

	2004-2005	2005-2006	2006-2007			
Loans, Investments and Advances (millions of dollars)	Actual	Actual	Main Estimates	Planned Spending	Authorities	Actual
Learning						
Loans disbursed under the *Canada Student Financial Assistance Act*	1,215.7	1,331.3	981.5	981.5	1,231.9	1,231.9
Total	**1,215.7**	**1,331.3**	**981.5**	**981.5**	**1,231.9**	**1,231.9**

Table 6A Sources of respendable and non-respendable revenue
Human Resources and Skills Development Canada

(millions of dollars)	2004-2005 *	2005-2006 *	2006-2007			
	Actual	Actual	Main Estimates	Planned Revenues	Authorities	Actual
Respendable Revenue						
Employment Insurance						
EI Recovery	484.1	749.1	783.3	780.0	674.0	664.5
Employment Programs						
EI Recovery	138.5	322.7	322.2	330.1	334.7	324.9
Workplace Skills						
EI Recovery	49.7	60.0	56.4	62.0	64.1	60.1
Learning						
EI Recovery	13.9	1.4	15.6	15.8	16.4	9.4
Labour						
Worker's Compensation - OGD	74.1	76.6	77.4	77.4	87.0	87.0
EI Recovery	0.7	0.7	0.6	0.6	0.6	0.6
Homelessness						
Service Delivery						
CPP Recovery	5.3	13.0	14.7	14.7	15.8	10.9
EI Recovery	48.1	86.1	75.7	63.3	72.8	72.8
Policy and Program Support						
EI Recovery	50.9	91.0	79.9	91.3	96.6	96.5
Total Respendable Revenue	**865.3**	**1,400.6**	**1,425.8**	**1,435.2**	**1,362.0**	**1,326.7**
By Type:						
Total CPP Recovery	5.3	13.0	14.7	14.7	15.8	10.9
Total EI Recovery	737.8	1,311.0	1,333.7	1,343.1	1,259.2	1,228.8
Total Worker's Compensation - OGD	74.1	76.6	77.4	77.4	87.0	87.0
Non-Respendable Revenue						
Total EBP Recovery from CPP	1.5	1.9	2.1	2.1	1.5	1.5
Total EBP Recovery from EI	83.8	132.9	140.2	140.6	120.5	120.5
Adjustment to Prior Years' Payables	7.5	6.2	-	-	6.0	6.0
Canada Student Loans	275.2	360.6	-	503.6	497.4	497.4
Actuarial Surplus - Government Annuities Account	0.2	3.5	-	-	8.3	8.3
User Fees						
Federal Workers' Compensation Administrative Fees	2.0	2.1	-	2.2	2.2	2.2
Labour Fire Protection Engineering Service Fee	0.1	0.1	-	-	0.1	0.1
Miscellaneous Items	4.1	5.4	-	-	4.4	4.4
Total Non-Respendable Revenue	**374.4**	**512.7**	**142.3**	**648.5**	**640.4**	**640.4**

* The actual figures are restated to reflect the 2006–2007 Activity Architecture.

Table 6B Sources of respendable and non-respendable and revenue Social Development Canada

	2004-2005	2005-2006	2006-2007			
(millions of dollars)	Actual	Actual	Main Estimates	Planned Revenues	Authorities	Actual
Respendable Revenue						
Social Investment						
EI Recovery	-	-	6.1	5.7	-	-
CPP Recovery	23.0	36.1	24.3	43.3	49.1	41.7
Social Development Policy & Innovation						
EI Recovery	-	-	2.5	8.6	24.0	19.0
CPP Recovery	-	-	12.4	12.9	-	-
Service Delivery						
EI Recovery	69.1	66.6	60.6	54.5	50.0	42.2
CPP Recovery	122.6	192.3	195.3	175.9	209.6	209.2
Effective Corporate Services						
EI Recovery	491.5	-	-	-	-	-
CPP Recovery	74.6	-	-	-	-	-
Total Respendable Revenue	**780.8**	**295.0**	**301.2**	**300.9**	**332.7**	**312.1**
By Type:						
Total EI Recovery	560.6	66.6	69.2	68.8	74.0	61.2
Total CPP Recovery	220.2	228.4	232.0	232.1	258.7	250.9
Non-Respendable Revenue						
Total EBP Recovery from CPP	25.8	27.1	17.8	17.8	28.1	28.1
Total EBP Recovery from EI	52.3	8.0	7.0	7.0	7.4	7.4
Adjustment to Prior Years' Payables	1.8	2.5	-	-	2.5	2.5
User Fees						
Searches of the CPP and OAS data bank to locate individuals	0.1	0.1	-	0.1	0.2	0.2
Social Insurance Number replacement card fee	1.9	1.9	-	1.9	2.0	2.0
Miscellaneous Items	1.6	1.7	-	-	1.5	1.5
Total Non-Respendable Revenue	**83.5**	**41.3**	**24.8**	**26.8**	**41.7**	**41.7**

Table 7A – HRSDC *User Fees Act*

Human Resources and Skills Development Canada

Note: The Tables 7B for ***Policy on Service Standards for External Fees Human Resources and Skills Development Canada and Policy on Service Standards for External Fees Social Development Canada*** can be found on line at: **http://www.tbs-sct.gc.ca/est-pre/estime.asp**

				2006-2007					Planning Years					
									2007-2008		2008-2009		2009-2010	
A. User Fee	Fee Type (R) or (O)[1]	Fee Setting Authority	Date Last Modified	Forecast Revenue ($000)	Actual Revenue ($000)	Full Cost ($000)	Performance Standard	Performance Results	Forecast Revenue ($000)	Estimated Full Cost ($000)	Forecast Revenue ($000)	Estimated Full Cost ($000)	Forecast Revenue ($000)	Estimated Full Cost ($000)
Federal Workers' Compensation Administrative Fees	(O)	*Government Employees Compensation Act*	September 1990	2,200	2,174	3,400	90% of claims processed to the appropriate provincial workers' compensation authority within 24 hours	86%	2,300	3,500	2,400	3,600	2,500	3,700
Other Initiative - Labour Fire Protection Engineering Services Fees [a]	(O)	*Financial Administration Act*	June 1993	45	44	4,400	90% of plan review completed within 21 calendar days or 15 working days	88% of plan review completed within 21 calendar days or 15 working days	40	4,500	40	4,600	40	4,700
Fees charged for the processing of access requests filed under the *Access to Information Act* (ATIA) [c]	(O)	*Access to Information Act*	1992	5	6	1,243	Response provided within 30 days following receipt of request; the response time may be extended pursuant to section 9 of the ATIA. Notice of extension to be sent within 30 days after receipt of request.[b] The Access to Information Act provides more detail: http://laws.justice.gc.ca/en/A-1/218072.html.	96%	6	1,250	7	1,250	7	1,250
Total User Fees				2,250	2,224	9,043			2,346	9,250	2,447	9,450	2,547	9,650

B. Date Last Modified:

C. Other Information:

[a] The Full Costs represent the total expenditures for Fire Protection Services program of which only a small portion is recoverable through user fees for the fire protection engineering service delivery to Crown Corporations.

[b] Even though the legislative deadline is 30 calendar days, extensions are allowed depending on the complexity of the request.

[c] On February 6, 2006, the government consolidated the Department of Human Resources and Skills Development with Social Development Canada to create a new department called Human Resources and Social Development Canada (HRSDC). 2006–2007 and Future years' data for Social Development Canada is included with Human Resources and Skills Development Canada.

[1] Regulatory (R) or Other Products and Services (O).

Table 7A – HRSDC

User Fees Act

Human Resources and Skills Development Canada

Note: The Tables 7B for ***Policy on Service Standards for External Fees Human Resources and Skills Development Canada and Policy on Service Standards for External Fees Social Development Canada*** can be found on line at: **http://www.tbs-sct.gc.ca/est-pre/estime.asp**

A. User Fee	Fee Type (R) or (O)[1]	Fee Setting Authority	Date Last Modified	2006-2007					Planning Years					
									2007-2008		2008-2009		2009-2010	
				Forecast Revenue ($000)	Actual Revenue ($000)	Full Cost ($000)	Performance Standard	Performance Results	Forecast Revenue ($000)	Estimated Full Cost ($000)	Forecast Revenue ($000)	Estimated Full Cost ($000)	Forecast Revenue ($000)	Estimated Full Cost ($000)
Federal Workers' Compensation Administrative Fees	(O)	*Government Employees Compensation Act*	September 1990	2,200	2,174	3,400	90% of claims processed to the appropriate provincial workers' compensation authority within 24 hours	86%	2,300	3,500	2,400	3,600	2,500	3,700
Other Initiative - Labour Fire Protection Engineering Services Fees[a]	(O)	*Financial Administration Act*	June 1993	45	44	4,400	90% of plan review completed within 21 calendar days or 15 working days	88% of plan review completed within 21 calendar days or 15 working days	40	4,500	40	4,600	40	4,700
Fees charged for the processing of access requests filed under the *Access to Information Act* (ATIA)[c]	(O)	*Access to Information Act*	1992	5	6	1,243	Response provided within 30 days following receipt of request; the response time may be extended pursuant to section 9 of the ATIA. Notice of extension to be sent within 30 days after receipt of request.[b] The Access to Information Act provides more detail: http://laws.justice.gc.ca/en/A-1/218072.html.	98%	6	1,250	7	1,250	7	1,250
Total User Fees				2,250	2,224	9,043			2,346	9,250	2,447	9,450	2,547	9,650

B. Date Last Modified:

C. Other Information:

[a] The Full Costs represent the total expenditures for Fire Protection Services program of which only a small portion is recoverable through user fees for the fire protection engineering service delivery to Crown Corporations.

[b] Even though the legislative deadline is 30 calendar days, extensions are allowed depending on the complexity of the request.

[c] On February 6, 2006, the government consolidated the Department of Human Resources and Skills Development with Social Development Canada to create a new department called Human Resources and Social Development Canada (HRSDC). 2006–2007 and Future years' data for Social Development Canada is included with Human Resources and Skills Development Canada.

[1] Regulatory (R) or Other Products and Services (O).

Table 7A – SDC

User Fees Act
Social Development Canada

				2006-2007					Planning Years					
									2007-2008		2008-2009		2009-2010	
A. User Fee	Fee Type (R) or (O)[1]	Fee Setting Authority	Date Last Modified	Forecast Revenue ($000)	Actual Revenue ($000)	Full Cost ($000)	Performance Standard	Performance Results	Forecast Revenue ($000)	Estimated Full Cost ($000)	Forecast Revenue ($000)	Estimated Full Cost ($000)	Forecast Revenue ($000)	Estimated Full Cost ($000)
Searches of the CPP and OAS data banks	(R)	*Department of Social Development Act, Section 19*	1998	144	211	211	Searches completed within 10 working days from receipt of request. [a]	95%	232	232	255	255	280	280
Social Insurance Number Replacement Card Fee	(R)	*Financial Administration Act*	1988	1,937	2,057	2,810	A card will be replaced within 10 working days after the receipt of the request. [b]	85%	1,937	2,810	1,937	2,810	1,937	2,810
Fees charged for the processing of access requests filed under the *Access to Information Act* (ATIA) [c]	(O)	*Access to Information Act*	1992	-	-	-	-	-	-	-	-	-	-	-
Total User Fees				2,081	2,268	3,021			2,169	3,042	2,192	3,065	2,217	3,090

B. Date Last Modified:

C. Other Information:

[a] Depending on the volume of commercial search requests, the searches will be completed no later than 10 working days after receipt of the request.

[b] Performance standard introduced in 2004–2005 is considered as standard measure.

[c] On February 6, 2006, the government consolidated the Department of Human Resources and Skills Development with Social Development Canada to create a new department called Human Resources and Social Development Canada (HRSDC). 2006–2007 and Future years' data for Social Development Canada is included with Human Resources and Skills Development Canada.

[1] Regulatory (R) or Other Products and Services (O).

Table 7A – SDC

User Fees Act
Social Development Canada

				2006-2007					Planning Years					
									2007-2008		2008-2009		2009-2010	
A. User Fee	Fee Type (R) or (O)[1]	Fee Setting Authority	Date Last Modified	Forecast Revenue ($000)	Actual Revenue ($000)	Full Cost ($000)	Performance Standard	Performance Results	Forecast Revenue ($000)	Estimated Full Cost ($000)	Forecast Revenue ($000)	Estimated Full Cost ($000)	Forecast Revenue ($000)	Estimated Full Cost ($000)
Searches of the CPP and OAS data banks	(R)	*Department of Social Development Act, Section 19*	1998	144	211	211	Searches completed within 10 working days from receipt of request. [a]	95%	232	232	255	255	280	280
Social Insurance Number Replacement Card Fee	(R)	*Financial Administration Act*	1988	1,937	2,057	2,810	A card will be replaced within 10 working days after the receipt of the request. [b]	85%	1,937	2,810	1,937	2,810	1,937	2,810
Fees charged for the processing of access requests filed under the *Access to Information Act* (ATIA) [c]	(O)	*Access to Information Act*	1992	-	-	-	-	-	-	-	-	-	-	-
Total User Fees				2,081	2,268	3,021			2,169	3,042	2,192	3,065	2,217	3,090

B. Date Last Modified:

C. Other Information:

[a] Depending on the volume of commercial search requests, the searches will be completed no later than 10 working days after receipt of the request.

[b] Performance standard introduced in 2004–2005 is considered as standard measure.

[c] On February 6, 2006, the government consolidated the Department of Human Resources and Skills Development with Social Development Canada to create a new department called Human Resources and Social Development Canada (HRSDC). 2006–2007 and Future years' data for Social Development Canada is included with Human Resources and Skills Development Canada.

[1] Regulatory (R) or Other Products and Services (O).

Table 8 Progress against the Department's Regulatory Plan

In order to reduce the volume of printed material, this table was not to be included in the printed Departmental Performance Report but can be found at:
http://www.tbs-sct.gc.ca/est-pre/estime.asp

Table 9 Details on Transfer Payments Programs

Human Resources and Social Development Canada has a number of transfer payment programs. These programs support individuals, communities, labour, other governments and Aboriginal organizations. HRSDC is subject to the revised policy on transfer payments, which was introduced on June 1, 2000. That policy requires departments to report on those payment programs that are worth at least $5 million.

Note: Actual figures reflect program costs and exclude operating resources necessary to deliver the programs.

1. Youth Employment Strategy
2. Aboriginal Human Resources Development Strategy
3. Aboriginal Skills and Employment Partnerships
4. Aboriginal Human Resources Development Program – the Joint Voisey's Bay Employment and Training Authority
5. Targeted Initiative for Older Workers
6. Enabling Fund for Official Language Minority Communities
7. Sector Council Program
8. Foreign Credential Recognition Program
9. Apprenticeship Incentive Grant
10. Training Centre Infrastructure Fund
11. Workplace Skills Initiative
12. Adult Learning, Literacy and Essential Skills Program
13. Canada Study Grant / Canada Access Grant
14. Canada Student Loans Program – Direct Financing Arrangement
15. Canada Student Loans Program – Interest Payments and Liabilities
16. Canada Student Loans Program – Liabilities
17. Canada Education Savings Program – Canada Education Savings Grant
18. Canada Education Savings Program, Canada Learning Bond
19. Social Development Partnerships Program
20. Guaranteed Income Supplement
21. Labour Market Agreements for Persons with Disabilities
22. New Horizons for Seniors Program
23. Old Age Security
24. Opportunities Fund for Persons with Disabilities
25. Allowance
26. Early Learning and Child Care
27. Universal Child Care Benefit
28. National Homelessness Initiative

Further information on these Transfer Payments Programs can be found at
http://www.tbs-sct.gc.ca/est-pre/estimE.asp

Table 10 Foundations (Conditional Grants)

During fiscal year 2006–2007, Human Resources and Social Development Canada was involved in the following Foundations.

1. Read to Me! Foundation Inc.
2. Peter Gzowski Foundation for Literacy
3. Canadian Council on Learning
4. The Winnipeg Foundation
5. The Canada Millennium Scholarship Foundation

Further information on these Foundations (Conditional Grants) can be found at **http://www.tbs-sct.gc.ca/est-pre/estime.asp**

Table 11 Response to Parliamentary Committees, and Audits and Evaluations

Chapters	Comments
Response to the Auditor General (including to the Commissioner of the Environment and Sustainable Development—CESD)	
November 2006 **Report of the Auditor General of Canada**	
CHAPTER 6 **Old Age Security**	
Issue: There is a lack of consistency of administration across the country. Also, the Department is not in compliance with the requirements of the *Financial Administration Act*, which calls for the charging of interest on overpayments. Additionally, penalty provisions contained in the *Old Age Security Act* (OAS Act) have not yet been brought into force.	The Department will make improvements in collecting and reporting information on client satisfaction, services and overpayments, and issue a revised policy on overpayments. Royal Assent was given to Bill C-36 on May 3, 2007 this included amendments to the *OAS Act* to introduce improvements and to prescribe the conditions under which interest should be charged (e.g. deliberate misrepresentation). Furthermore, the penalty provisions are being updated, along with appropriate policies and procedures and will come into force on Order in Council as soon as this process has been completed. The government's response can be found at **http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20061106ce.html**

Chapters	Comments
February 2007 **Status Report of the Auditor General of Canada**	
CHAPTER 1 **Advertising and Public Opinion Research**	
Issue: This was a follow-up audit that examined progress made in response to a 2003 audit report. There is one recommendation, which calls for written notification of research to be provided to Public Works Government Services Canada (PWGSC) prior to contact with research firms.	Treasury Board Secretariat, Privy Council Office and Public Works and Government Services agreed with the recommendation. The Department and Service Canada have formalized public opinion research procedures and centralized public opinion and research and advertising activity to improve overall management of the function. The government's response can be found at **http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20070201aa_e.html**
CHAPTER 6 **The Management of the Social Insurance Number**	
Issue: Follow-up audit that assessed whether the Department and the Treasury Board Secretariat had taken satisfactory action to ensure the appropriate use of the SIN; to strengthen the process for issuing new Social Insurance Numbers and replacement cards; to ensure the accuracy, completeness, and reliability of data in the Social Insurance Register; and to improve the investigation of SIN-related fraud	To address this issue, Service Canada will complete work currently underway on benchmark levels to define key performance indicators for the ongoing measurement of SIR completeness, accuracy and reliability. Based on these results, Service Canada will establish goals for SIR data and develop a plan to measure and report on performance in 2007–2008. The government's response can be found at: **http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20070206ab_e.html**
November 2006 **Commissioner of the Environment and Sustainable Development Annual Report**	
CHAPTER 4 **Sustainable Development Strategies**	
Issue: Chapter 4 of the 2006 Report of the Commissioner of the Environment and Sustainable Development observed that organizations whose progress was unsatisfactory, had poor systems for planning, implementing, and monitoring their sustainable development commitments	Following the 2005–2006 audit of the departmental Sustainable Development Strategy for 2003–2006, the Department of Human Resources and Social Development Canada (which integrates the former departments of Human Resources and Skills Development Canada and Social Development Canada) developed a Sustainable Development Strategy for 2007–2009, which was approved in late 2006. The new strategy has strengthened the management structure, and established systems for planning, implementing, and monitoring its sustainable development commitments.
CHAPTER 5 **Environmental Petitions**	
Issue: A review of environmental petitions across the government found that HRSDC responded to 100% of them on time	

Chapters	Comments
Internal Audits or Evaluations	
To provide canadians with:	**As demonstrated by the findings of the following:**
Enhanced Canadian productivity and participation through efficient and inclusive labour markets, competitive workplaces and access to learning	Audit of the Office of Learning Technologies*
Safe, healthy, fair, stable, cooperative, productive workplaces and effective international labour standards	Audit of Occupational Health and Safety Preliminary Survey of the Federal Mediation and Conciliation Service* Audit of Wellness Program*
Enhanced income security, access to opportunities and well-being for individuals, families and communities	Early Implementation Review of New Horizons for Seniors Program* 2004–2005 Attest Audit of the Administrative Costs Charged to the Canada Pension Plan Account* 2005–2006 Attest Audit of the Administrative Costs Charged to the Canada Pension Plan Account Annual Audit of the Old Age Security Program Expenditures*
Achieve better outcomes for Canadians through service excellence	Evaluation of the Pleasure Craft License
Other Audits and Evaluations	Audit of Grants and Contributions – Segregation of Duties Information Technology Business Continuity Planning* Review Engagement of Consolidated Financial Statements* Audit of the Performance Tracking Directorate*
Efficient and inclusive labour market transitions through temporary income support and active employment measures	Reports produced in support of the 2005 Employment Insurance Monitoring and Assessment Report Summative Evaluation of Employment Benefits and Support Measures Delivered Under the Canada/Newfoundland and Labrador Labour Market Development Agreement* Formative and Summative Evaluation of Nunavut Benefits and Measures Delivered under the Canada-Nunavut Labour Market Development Agreement* Formative Evaluation of Youth Employment Strategy* Summative Evaluation of Employment Insurance Part I: A Summary of Evaluation Knowledge to Date*
Enhanced productivity and competitiveness of Canadian workplaces by supporting investment in and recognition and utilization of skills	Formative Evaluation of Foreign Credential Recognition Program*

* Approved by the Audit and Evaluation Committee.

Table 12 Sustainable Development Strategy

Following the consolidation of the Departments of Social Development Canada and Human Resources and Skills Development Canada into the Department of Human Resources and Social Development in February 2006, a new strategy was developed to guide the sustainable development efforts of the new department for 2007–2009 and was tabled in December 2006.

The vision of the new strategy is to support the Government of Canada's approach to sustainable development by committing the Department to achieve tangible results both in terms of greening its operations and in promoting long-term sustainability in Canadian society through social development and labour market policies and programs: *"Advancing sustainable development by supporting a strong, inclusive labour market and society, and by being an example of sustainability in the provision of Government of Canada services to Canadians in a manner that reduces the impact on the environment"*.

Human Resources and Social Development Canada manages, through Service Canada, one of the federal government's largest regional and local service delivery networks across the country. In 2006–2007, the Department has made significant efforts to support the Government's objective on greening of its operations. For example, citizens have been encouraged to use direct deposit for social security and Employment Insurance cheques, more services and documentation were made accessible online to reduce paper usage, and energy consumption was reduced through the implementation of conservation-focused office design and energy-efficient lighting. Work is underway to refine existing performance indicators to measure progress against expected results and targets in supporting the greening of government operations.

The Department has developed, under Part II of the Canada Labour Code, new occupational health and safety regulations to deal with workplace violence, which are expected to come into force by the end of 2007, and are currently seeking to make amendments to the Hazard Prevention Program Regulations to further improve workplace safety and security in the federal jurisdiction.

The Department has undertaken work to develop a more effective process to conduct Strategic Environmental Assessments in support of its policy, plans and program proposals.

Detailed information on the 2007–2009 Sustainable Development Strategy (SDS-IV), including specific goals, objectives and targets, is available at the following departmental website:
http://www.hrsdc.gc.ca/en/cs/sp/hrsd/cpa/publications/reports/sds-2007-2009/hrsdc_sds_2007-2009.pdf

Table 13 Procurement and Contracting

In order to reduce the volume of printed material, this table is not included in the printed Departmental Performance Report but can be found at:
http://www.tbs-sct.gc.ca/est-pre/estime.asp

Table 14 Client-Centred Service

In order to reduce the volume of printed material, this table is not included in the printed Departmental Performance Report but can be found at:
http://www.tbs-sct.gc.ca/est-pre/estime.asp

Table 15 Horizontal Initiatives

During fiscal year 2006–2007 Human Resources and Social Development Canada was involved in the following horizontal initiatives. Unless otherwise mentioned in the list, Human Resources and Social Development Canada acts as the lead department for these initiatives.

1. Aboriginal Human Resources Development Strategy
2. Aboriginal Skills and Employment Partnership Program
3. Labour Market Development Agreements
4. Youth Employment Strategy
5. Targeted Initiative for Older Workers
6. Foreign Credential Recognition Program
7. Sector Council Program
8. Canada Student Loans Program
9. National Homelessness Initiative
10. National Child Benefit
11. Multilateral Framework on Early Learning and Child Care
12. Early Childhood Development Agreement

For further information on the above-mentioned horizontal initiatives, see:
http://www.tbs-sct.gc.ca/est-pre/estime.asp

Table 16 Travel Policies

HRSDC applied the TBS travel policy parameters with respect to departmental travel transactions

Specified Purpose Accounts

Human Resources and Skills Development Canada

Introduction

Specified Purpose Accounts are special categories of revenues and expenditures. They report transactions of certain accounts where enabling legislation requires that revenues be earmarked and that related payments and expenditures be charged against such revenues. The transactions of these accounts are to be accounted for separately.

Human Resources and Skills Development Canada is responsible for the stewardship of three such accounts:

- the Employment Insurance Account;
- the Government Annuities Account; and
- the Civil Service Insurance Fund.

The Employment Insurance Account **is a consolidated Specified Purpose Account** and is included in the financial reporting of the Government of Canada. Consolidated Specified Purpose Accounts are used principally where the activities are similar in nature to departmental activities and the transactions do not represent liabilities to third parties but, in essence, constitute Government revenues and expenditures.

The Government Annuities Account **is a consolidated Specified Purpose Account** and is included in the financial reporting of the Government of Canada. It was established by the *Government Annuities Act*, and modified by the *Government Annuities Improvement Act*, which discontinued sales of annuities in 1975. The account is valued on an actuarial basis each year, with the deficit or surplus charged or credited to the Consolidated Revenue Fund.

The Civil Service Insurance Fund **is a consolidated Specified Purpose Account** and is included in the financial reporting of the Government of Canada. It was established by the *Civil Service Insurance Act*. Pursuant to subsection 16(3) of the Civil Service Insurance Regulations, the amount of actuarial deficits is transferred from the Consolidated Revenue Fund to the Civil Service Insurance Account in order to balance the assets and liabilities of the program.

The following information updates forecasted data on the Employment Insurance Account that the Department provided in the *2006–2007 Report on Plans and Priorities*. That report presented multi year financial data and general information. Additional information on performance and year end data is available at the internet addresses provided in this section.

Employment Insurance Account

The table below summarizes the financial results for the EI Account from 2004–2005 to 2006–2007.

EI Account Statement of Operations[a]

(millions of dollars)	Actual 2004-05	2005-06	2006-07
Expenditures			
Benefits	14,748	14,418	14,079
Administrative Costs	1,542	1,576	1,636
Doubtful Accounts[b]	95	56	99
Sub-Total	**16,385**	**16,050**	**15,815**
EI Premiums and Penalties			
Premiums	17,655	16,917	17,109
Penalties	51	50	56
Sub-Total	**17,706**	**16,967**	**17,165**
Variance	**1,321**	**917**	**1,351**
Premium Rate	**2005**	**2006**	**2007**
(% of Insurable Earnings)			
Employee	1.95%	1.87%	1.80%
Employer	2.73%	2.62%	2.52%

[a] The EI Account is a consolidated SPA and is included in the financial reporting of the Government of Canada. Consolidated SPAs are used principally where the activities are similar in nature to departmental activities and the transactions do not represent liabilities to third parties but, in essence, constitute government revenues and expenditures.

[b] Represents write-offs and estimates of uncollectible account receivables for benefit overpayments and penalties imposed.

In 2006–2007 revenue from EI premiums increased due to growth in employment and earnings, partially offset by a lower premium rate and by the premium reduction associated with the introduction of the Quebec Parental Insurance Plan (QPIP), under which maternity and parental benefits in Quebec are a provincial responsibility as of January 2006. Meanwhile, EI benefits declined in 2006–2007 due to a decrease in the number of beneficiaries, consistent with lower unemployment, and due to the introduction of the QPIP. As a result, revenues to the EI Account for 2006–2007 exceeded expenditures by $1.4 billion. Including interest of $2.0 billion, the notional cumulative surplus in the EI Account was $54.1 billion at March 31, 2007.

More detailed information is reported in the 2006–2007 audited EI Account financial statements that are included in the *2007 Public Accounts of Canada*, Volume 1, Section 4.[31] HRSDC also offers information on Employment Insurance on its website.[32] This provides information on the authority, objectives and details of the program as well as links to Actuarial Reports and the EI Commission's annual Monitoring and Assessment Reports.

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[31] For further information, see **http://www.pwgsc.gc.ca/recgen/text/pub-acc-e.html**

[32] For further information, see **http://www.hrsdc.gc.ca/en/ei/legislation/ei_act_tofprov_1.shtml**

Government Annuities Account

The table below summarizes the financial results for the Government Annuities Account from 2004–2005 to 2006–2007.

Government Annuities Account Receipts and Disbursements

(millions of dollars)	Actual 2004-2005	2005-2006	2006-2007
Actuarial Liabilities –			
Balance at Beginning of Year	**405.8**	**377.2**	**347.2**
Income	26.3	24.5	23.4
Payments and Other Charges	54.6	51.0	48.3
Excess of Payments and Other Charges Over Income for the Year	28.3	26.5	24.9
Actuarial Surplus	0.3	3.5	2.9
Actuarial Liabilities –			
Balance at End of the Year	**377.2**	**347.2**	**319.4**

The annual report and financial statements for Government Annuities are available in the 2007 *Public Accounts of Canada*, Volume 1, Section 6.[33]

Civil Service Insurance Fund

The table below summarizes the financial results for the Civil Service Insurance Fund from 2004–2005 to 2006–2007.

Civil Service Insurance Fund Receipts and Disbursements

(millions of dollars)	Actual 2004-2005	2005-2006	2006-2007
Revenue			
Opening Balance	**7.1**	**6.6**	**6.3**
Receipts and Other Credits	0.0	0.1	0.0
Payments and Other Charges	0.5	0.4	0.3
Excess of Payments and Other Charges Over Income for the Year	0.5	0.3	0.3
Balance at End of the Year	**6.6**	**6.3**	**6.0**

The annual report and financial statements for Civil Service Insurance Fund are available in the 2007 *Public Accounts of Canada*, Volume 1, Section 6.[34]

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[33] For further information, see **http://www.pwgsc.gc.ca/recgen/text/pub-acc-info-e.html**

[34] For further information, see **http://www.pwgsc.gc.ca/recgen/text/pub-acc-info-e.html**

Specified Purpose Accounts
Social Development Canada

Introduction

Specified Purpose Accounts are special categories of revenues and expenditures. They report transactions of certain accounts where enabling legislation requires that revenues be earmarked and that related payments and expenditures be charged against such revenues. The transactions of these accounts are to be accounted for separately.

The Canada Pension Plan **is a Specified Purpose Account but is not consolidated** as part of the Government of Canada financial statements. It is under joint control of the government and the participating provinces. As administrator, the government's authority to spend is limited to the balance in the Plan.

The following information updates forecasted data on the Canada Pension Plan provided in Human Resources and Social Development Canada's *2006–2007 Part III - Report on Plans and Priorities.*[35] That report presented multi-year financial data and general information. Additional information on performance and year-end data is available at the internet addresses provided in this section.

Canada Pension Plan

The following table summarizes the financial results for the Canada Pension Plan from 2004–2005 to 2006–2007.

More information relating to 2006–2007 is reported in the Canada Pension Plan financial statements which can be found in the *2007 Public Accounts of Canada*, Volume 1, Section 6.

CPP Summary

	2004-2005	2005-2006	2006-2007	
($ millions)	Actual		Forecast [4]	Actual
Revenue				
Contributions	28,941	30,117	31,395	32,355
Investment Income				
Canada Pension Plan	2,070	1,093	514	256
CPP Investment Board [1]	5,014	12,193	1,574	12,788
CPP Investment Fund [2]	(945)	(254)	N/A	-
Total Investment Income	6,139	13,032	2,088	13,044
Total Revenue	**35,080**	**43,149**	**33,483**	**45,399**
Expenditures				
Benefit Payments	23,763	24,977	26,136	26,115
Administrative Expenses [3]	417	462	529	574
Total Expenditures	**24,180**	**25,439**	**26,665**	**26,689**
Increase	10,900	17,710	6,818	18,710
Year-end Balance	83,411	101,121	107,939	119,831

[1] Canada Pension Plan Investment Board actual amounts are based on their audited financial statements. The CPP Investment Board invests mainly in equities. The investment income is determined mainly by the change in fair values of these investments.

[2] The Canada Pension Plan Investment Fund is made up of provincial, territorial and government bonds. As of March 31, 2006, these are valued at fair value. Since May 2004, the rights and titles of the CPP Investment Fund bonds are being transferred, over a three year period and on a monthly basis, to the CPP Investment Board. The revenue of the fund is made up of the interest from the bonds as well as the change in fair values of these investments. The revenue from the Investment Fund is presented in both the "Canada Pension Plan" and the "CPP Investment Board" items of this section.

[3] Administrative Expenses have been revised to include CPP Administrative Expenses as well as CPP Investment Board Administrative Expenses.

[4] 2006–2007 Forecast are figures reported in the 2007–2008 Report of Plans and Priorities.

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[35] For further information, see **http://www.tbs-sct.gc.ca/rpp/0607/hrsdc-rhdsc/hrsdc-rhdsc_e.asp**

Statutory Annual Reports

Old Age Security

The Old Age Security program is one of the cornerstones of Canada's retirement income system. Benefits include the basic Old Age Security pension, the Guaranteed Income Supplement and the Allowance. The Old Age Security program is financed from Government of Canada general tax revenues. The following tables present information on monthly benefits, beneficiaries and payments by province or territory.

Statutory Annual Reports Summary of Maximum Montly Benefits

(dollars) Fiscal Year	Basic Pension	Income Supplement		Allowance		Increase
		Single	Married	Regular	Survivor	
Monthly benefit by fiscal year						
2006-2007 Actuals						
January 1, 2007	491.93	620.91	410.04	901.97	999.81	0.0%
October 1, 2006	491.93	602.91	395.54	887.47	981.81	0.9%
July 1, 2006	487.54	597.53	392.01	879.55	973.05	0.6%
April 1, 2006	484.63	593.97	389.67	874.30	967.24	0.0%
2006-2007 Estimates						
January 1, 2007	494.39	623.93	412.01	906.40	1,004.72	0.4%
October 1, 2006	492.42	603.52	395.93	888.35	982.79	0.8%
July 1, 2006	488.51	598.73	392.79	881.30	974.99	0.6%
April 1, 2006	485.60	595.16	390.45	876.05	969.18	0.2%
2005-2006 Actuals						
January 1, 2006	484.63	593.97	389.67	874.30	967.24	1.0%
October 1, 2005	479.83	570.27	371.46	851.29	939.84	0.6%
July 1, 2005	476.97	566.87	369.24	846.21	934.24	0.7%
April 1, 2005	473.65	562.93	366.67	840.32	927.74	0.4%
Fiscal year average (annual benefits)						
2006-07 Actuals	5,868.09	7,245.96	4,761.78	10,629.87	11,765.73	4.2%
2006-07 Estimates	5,882.76	7,264.02	4,773.54	10,656.30	11,795.04	4.4%
2005-06 Actuals	5,745.24	6,882.12	4,491.12	10,236.36	11,307.18	1.7%

Statutory Annual Reports Number of Persons Receiving Old Age Security Benefits by Province or Territory and by Type

Province or Territory	March 2006				March 2007			
	Old Age Security (OAS) Pension	Guaranteed Income Supplement (GIS)	Allowance	GIS as % of OAS	Old Age Security (OAS) Pension	Guaranteed Income Supplement (GIS)	Allowance	GIS as % of OAS
Newfoundland	69,356	44,869	4,401	64.69	70,794	44,864	4,489	63.37
Prince Edward Island	19,363	9,380	601	48.44	19,696	9,281	570	47.12
Nova Scotia	132,984	59,153	4,237	44.48	135,432	58,505	4,301	43.20
New Brunswick	105,377	53,181	4,112	50.47	107,663	53,560	4,252	49.75
Quebec	1,046,057	499,278	31,436	47.73	1,075,251	501,897	31,691	46.68
Ontario	1,571,843	468,064	26,986	29.78	1,606,920	468,269	27,864	29.14
Manitoba	157,927	60,623	3,530	38.39	159,080	58,949	3,488	37.06
Saskatchewan	145,999	59,366	3,392	40.66	146,036	57,631	3,356	39.46
Alberta	336,890	119,454	6,774	35.46	345,817	117,357	6,412	33.94
British Columbia	557,106	190,683	10,864	34.23	570,592	189,185	10,891	33.16
Yukon	2,258	760	42	33.66	2,370	774	42	32.66
Northwest Territories[a]	2,743	1,538	135	56.07	2,834	1,519	121	53.60
International[b]	80,111	8,894	84	11.10	83,366	8,841	69	10.61
Total	4,228,014	1,575,243	96,594	37.26	4,325,851	1,570,632	97,546	36.31

[a] Data for Nunavut are included.

[b] Persons receiving Canadian Old Age Security benefits under International Agreements on Social Security.

Old Age Security Payments, by Province or Territory and by Type, Fiscal Year 2006–2007

(dollars)

Province or Territory	Old Age Security (OAS) Pension	Guaranteed Income Supplement (GIS)	Allowance	Total
Newfoundland	411,525,865	182,762,070	24,667,906	618,955,841
Prince Edward Island	114,458,470	37,617,955	2,700,902	154,777,327
Nova Scotia	786,132,836	226,050,401	20,432,216	1,032,615,453
New Brunswick	623,875,572	212,110,600	21,648,056	857,634,228
Quebec	6,156,710,428	2,071,595,217	150,367,592	8,378,673,237
Ontario	8,906,364,267	2,199,894,137	152,276,172	11,258,534,576
Manitoba	919,371,232	235,306,726	18,271,392	1,172,949,350
Saskatchewan	856,384,593	229,029,935	17,773,153	1,103,187,681
Alberta	1,939,432,728	517,943,470	34,537,177	2,491,913,375
British Columbia	3,118,482,926	893,820,618	59,462,603	4,071,766,147
Yukon	13,580,323	3,191,305	251,150	17,022,778
Northwest Territories[a]	16,433,314	7,702,723	921,948	25,057,985
International[b]	103,405,331	84,063,739	833,427	188,302,497
Total	**23,966,157,885**	**6,901,088,896**	**504,143,694**	**31,371,390,475**
Recovery tax portion of OAS	**(1,087,335,231)**			**(1,087,335,231)**
Total including recovery tax	**22,878,822,654**	**6,901,088,896**	**504,143,694**	**30,284,055,244**

[a] Data for Nunavut are included.

[b] Persons receiving Canadian Old Age Security benefits under International Agreements on Social Security.

Consolidated Report on Canada Student Loans Programs

In August 2000, the Canada Student Loans Program was shifted from the risk-shared financing arrangements that had been in place with financial institutions between 1995 and July 2000 to a direct student loan financing plan.[36]

This meant that the Program had to redesign the delivery mechanism in order to directly finance student loans. In the new arrangement, the Government of Canada provides the necessary funding to students and two service providers have contracts to administer the loans.

Reporting Entity

The entity detailed in this report is the Canada Student Loans Program only and does not include departmental operations related to the delivery of the Canada Student Loans Program. Expenditures figures are primarily statutory in nature, made under the authority of the *Canada Student Loans Act* and the Canada Student *Financial Assistance Act*.

Basis of Accounting

The financial figures are prepared in accordance with generally accepted accounting principles and as reflected in the *Public Sector Accounting Handbook* of the Canadian Institute of Chartered Accountants.

Specific Accounting Policies

Revenues

Two sources of revenue are reported: interest revenue on Direct Loans and recoveries on Guaranteed and Put Back Loans. Government accounting practices require that recoveries from both sources be credited to the Government's Consolidated Revenue Fund. They do not appear along with the expenditures in the CANADA STUDENT LOANS PROGRAM accounts, but are reported separately in the financial statements of Human Resources and Social Development Canada and the government.

- **Interest Revenue on Direct Loans** – Borrowers are required to pay simple interest on their student loans once they leave full-time studies. At the time they leave school, students have the option of selecting a variable (prime + 2.5%) or fixed (prime + 5%) interest rate. The figures represent the interest accrued on the outstanding balance of the government-owned Direct Loans. Borrowers continue to pay the interest accruing on the guaranteed and risk-shared loans directly to the private lender holding these loans. Effective August 1, 2005, the weekly loan limit increased from $165 per week to $210 per week of study. As more funds will be available to students, total loan disbursements will likely grow, and as a result the interest revenue generated will likely increase.
- **Recoveries on Guaranteed Loans** – The government reimburses the private lenders for any loans issued prior to August 1, 1995 that go into default (i.e., lenders claim any amount of principal and interest not repaid in full). The figures represent the recovery of principal and interest on these defaulted loans.
- **Recoveries on Put-back Loans** – Under the risk-shared agreements, the government will purchase from the participating financial institutions any loans issued between August 1, 1995 to July 31, 2000 that are in default of payments for at least 12 months after the period of study, that in aggregate, do not exceed 3% of the average monthly balance of the lender's outstanding student loans in repayments. The amount paid is set at 5% of the value of the loans in question. The figures represent the recovery of principal and interest on these loans.

Canada Study Grants and Canada Access Grants

Canada Study Grants and Canada Access Grants improve access to post-secondary education by providing non repayable financial assistance to post-secondary students. Four types of Canada Study Grants are available to assist: (1) students with permanent disabilities in order to meet disability-related educational expenses (up to $8,000 annually); (2) students with dependants (up to $3,120 for full-time students and up to $1,920 for part time students, annually); (3) high-need part-time students (up to $1,200 annually); and (4) women in certain fields of Ph.D. studies (up to $3,000 annually for up to three years). Two Canada Access Grants are available since August 1, 2005, to assist: (1) students from low-income families entering their first year of post secondary studies (50% of tuition, up to $3,000); and (2) students with permanent disabilities in order to assist with education and living expenses (up to $2,000 annually).[37]

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[36] For further information on the Canada Student Loans Program, see **http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/cslp.shtml**

Collection Costs

These amounts represent the cost of using private collection agencies to collect defaulted Canada Student Loans. The loans being collected include: risk-shared and guaranteed loans that have gone into default and which the government has bought back from the private lender; and Direct Loans issued after July 31, 2000, that are returned to HRSDC by the third party service provider as having defaulted. As of August 1, 2005 the Canada Revenue Agency (CRA) Non Tax Collections Directorate undertook the responsibility for the administration of the collection activities of the guaranteed, risk-shared and direct student loans.

Service Provider Costs

Canada Student Loans Program uses third party service providers to administer loan origination, in-study loan management, post-studies repayment activities and debt management. This item represents the cost associated with these contracted services.

Risk Premium

Risk premium represents part of the remuneration offered to lending institutions participating in the risk-shared program from August 1, 1995 to July 31, 2000. The risk premium represents 5% of the value of loans being consolidated which is calculated and paid at the time students leave studies and go into repayment. In return, the lenders assume the risk associated with non-repayment of these loans.

Put-Back

Subject to the provisions of the contracts with lending institutions, the government will purchase from a lender the student loans that are in default of payment for at least 12 months and that, in aggregate, do not exceed 3% of the average monthly balance of the lender's outstanding student loans in repayments. The amount paid is set at 5% of the value of the loans in question. The figures also include any refund made to participating financial institutions on the recoveries.

Administrative Fees to Provinces and Territories

Pursuant to the *Canada Student Financial Assistance Act (CSFA Act)*, the government has entered into arrangements with nine provinces and one territory to facilitate the administration of the Canada Student Loans Program. They administer the application and needs assessment activities associated with federal student financial assistance and in return they are paid an administrative fee. As of August 1, 2005 administrative fees paid to provinces were increased to improve the compensation for their part in the administration of the Canada Student Loans Program.

In-Study Interest Borrowing Expense

The capital needed to issue the Direct Loans is raised through the Department of Finance's general financing activities. The cost of borrowing this capital is recorded in the Department of Finance's overall financing operations. The figures represent the cost attributed to Canada Student Loans Program in support of Direct Loans while students are considered in study status. Weekly loan limits increased effective August 1, 2005. As more funds will be available to students, total loan disbursements are likely to grow, and as a result the in-study interest borrowing expense will rise.

In-Repayment Interest Borrowing Expense

The capital needed to issue the Direct Loans is raised through the Department of Finance's general financing activities. The cost of borrowing this capital is recorded in the Department of Finance's overall financing operations. The figures represent the cost attributed to Canada Student Loans Program in support of Direct Loans while students are in repayment of their Canada Student Loans.

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[37] The new Canada Access Grant for Student with Permanent disabilities has replaced the Canada Study Grant for High-need Students with Permanent Disabilities.

In-Study Interest Subsidy

A central feature of federal student assistance is that student borrowers are not required to pay the interest on their student loans as long as they are in full-time study and, in the case of loans negotiated prior to August 1, 1993, for six months after the completion of studies. Under the guaranteed and risk-shared programs, the government pays the interest to the lending institutions on behalf of the student.

Interest Relief

Assistance may be provided to cover loan interest and suspend payments on the principal of loans in repayment for up to 54 months for borrowers experiencing temporary difficulties repaying their loans. The shift from Guaranteed and Risk-Shared Loans to Direct Loans did not alter interest relief for loans in distress from the borrower's perspective; however, the method of recording associated costs changed. For loans issued prior to August 1, 2000, Canada Student Loans Program compensates lending institutions for lost interest equal to the accrued interest amount on loans under Interest Relief (IR). For loans issued after August 1, 2000, an interest relief expense is recorded to offset the accrued interest on direct loans. Effective August 1, 2005 income thresholds used to determine IR eligibility increased in order to make IR accessible to a greater number of borrowers.

Debt Reduction in Repayment

Debt Reduction in Repayment assists borrowers experiencing long-term difficulties repaying their loans. It is a federal repayment assistance program through which the Government of Canada reduces a qualifying borrower's outstanding Canada Student Loans principal to an affordable amount after Interest Relief has been exhausted and only after 5 years have passed since the borrower ceased to be a student. As of August 1, 2005, the maximum amount of DRR assistance is $26,000, which is available to eligible borrowers in an initial deduction of up to $10,000, a second deduction of up to $10,000 and a final deduction of up to $6,000 For loans issued prior to August 1, 2000, Canada Student Loans Program pays the lending institutions the amount of student debt principal reduced by the Government of Canada under DRR. For loans issued after August 1, 2000, the Government of Canada forgives a portion of the loan principal.

Claims Paid and Loans Forgiven

From the beginning of the program in 1964 until July 31, 1995, the government fully guaranteed all loans issued to students by private lenders. The government reimburses private lenders for any of these loans that go into default (i.e., subject to specific criteria, lenders may claim any amount of principal and interest not repaid in full, after which the Canada Revenue Agency's Collection Services will attempt to recover these amounts).[38] The risk-shared arrangements also permitted loans issued from August 1, 1995 to July 31, 2000 to be guaranteed under specific circumstances. This item represents the costs associated with loan guarantees.

Pursuant to the *Canada Student Loans Act* and the *Canada Student Financial Assistance Act*, the government incurs the full amount of the unpaid principal plus accrued interest in the event of the death of the borrower or, if the borrower becomes permanently disabled and cannot repay the loan without undue hardship.

Bad Debt Expense

Under Direct Loans, the government owns the loans issued to students and must record them as assets. As a result, generally accepted accounting principles require a provision be made for potential future losses associated with these loans. The provision must be made in the year the loans are issued even though the losses may occur many years later. The figures represent the annual expense against the provisions for Bad Debt and Debt Reduction in Repayment on Direct Loans.

Alternative Payments to Non-participating Provinces and Territories

Provinces and territories may choose not to participate in the Canada Student Loans Program. These provinces and territories receive an alternative payment to assist in the cost of delivering a similar student financial assistance program.

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[38] An announcement was made on August 1, 2005 which transfers collections activities previously carried out by Social Development Canada (SDC) to Canada Revenue Agency.

Figure 1 Consolidated Canada Student Loans Programs – Combined Programs

	Actual		2006-2007	
(millions of dollars)	2004-2005	2005-2006	Forecast	Actual
Revenues				
Interest Revenue on Direct Loans	226.6	315.7	419.8	453.3
Recoveries on Guaranteed Loans	76.2	66.8	66.6	55.3
Recoveries on Put-Back Loans	11.0	13.1	17.1	14.5
Total Revenues	313.8	395.6	503.5	523.1
Expenses				
Transfer Payments				
Canada Study Grants & Canada Access Grants	64.5	129.7	119.9	146.4
Loan Administration				
Collection Costs[a]	14.8	13.6	18.5	12.4
Service Bureau Costs	46.0	50.2	66.3	65.6
Risk Premium	5.5	2.7	4.8	1.8
Put-Back	4.2	4.3	4.4	4.7
Administrative Fees to Provinces and Territories	9.4	13.9	14.6	14.7
Total Loan Administration Expenses	79.9	84.7	108.6	99.2
Cost of Government Support				
Benefits Provided to Students				
In-Study Interest Borrowing Expense (Class A)[b]	163.8	159.3	166.5	185.7
In Repayment Interest Borrowing Expense (Class B)[b]	96.6	111.4	161.4	145.0
In-Study Interest Subsidy	16.1	12.1	6.6	11.5
Interest Relief	63.2	67.2	70.7	84.2
Debt Reduction in Repayment	27.1	31.4	15.2	20.1
Claims Paid & Loans Forgiven	27.7	24.8	16.5	24.2
Bad Debt Expense[c]				
Debt Reduction in Repayment Expense	11.5	13.3	13.3	9.6
Bad Debt Expense	456.2	297.2	322.5	260.4
Total Cost of Government Support Expenses	862.2	716.7	772.7	740.7
Total Expenses	1,006.6	931.1	1,001.2	986.3
Net Operating Results	692.8	535.5	497.7	463.2
Alternative Payments to Non-Participating Provinces[d]	175.8	158.2	151.0	91.3
Final Operating Results	868.6	693.7	648.7	554.5

[a] These costs are related to collection activities performed by the Private Collection Agencies. Effective July 31, 2006, the defaulted loans were transferred to CRA. Therefore, the collection costs for fiscal year 2006–2007 are reported in part by the Human Resources and Social Development Canada and in part by the Canada Revenue Agency. From April 1, 2006 to July 31, 2006, HRSDC reported $3.6M in collection costs. From August 1, 2006 to March 31, 2007, CRA reported $8.8M in collection costs.

[b] These costs are related to Canada Student Direct Loans but reported by the Department of Finance.

[c] This represents the annual expense against the Provisions for Bad Debt and Debt Reduction in Repayment as required under Accrual Accounting. The Bad Debt Expense figure for 2004–2005 include an adjustment of $257.1M following the revised Bad Debt Provision Rate published by the Office of the Chief Actuary in the Actuarial Report on the CSLP as at July 31, 2004. This adjustment is retroactive back to the beginning of the Direct Loans Regime (2000). In addition, the Bad Debt Expense figure for 2006–2007 includes an adjustment of $(52.9)M while the Debt Reduction in Repayment Expense figure includes an adjustement of $(3.8)M. These adjustments are also retroactive back to the beginning of the Direct Loans Regime (2000). It is the result of a new methodology. In fact, as published by the Office of the Chief Actuary in the Actuarial Report on the CSLP as at July 31, 2006, the methodology was changed to a prospective approach that uses a snapshot of the portfolio at a particular point in time to determine the amount of the allowance at that time.

[d] Starting in 2003–2004, the figures represent the annual expense recorded under the Accrual Accounting as opposed to the actual amount disbursed to the Non-Participating Provinces. For 2006–2007, the total amount disbursed as Alternative Payments is $ 117.6 M.

Figure 2 Consolidated Canada Student Loans Programs – Risk Shared and Guaranteed Loans Only

	Actual		2006-2007	
(millions of dollars)	2004-2005	2005-2006	Forecast	Actual
Revenues				
Recoveries on Guaranteed Loans	76.2	66.8	66.6	55.3
Recoveries on Put-Back Loans	11.0	13.1	17.1	14.5
Total Revenues	87.2	79.9	83.7	69.8
Expenses				
Loan Administration				
Collection Costs[a]	7.8	6.7	7.2	5.3
Risk Premium	5.5	2.7	4.8	1.8
Put-Back	4.2	4.3	4.4	4.7
Total Loan Administration Expenses	17.5	13.7	16.4	11.8
Cost of Government Support				
Benefits Provided to Students				
In-Study Interest Subsidy	16.1	12.1	6.6	11.5
Interest Relief	34.8	23.3	14.0	20.8
Debt Reduction in Repayment	27.1	31.4	15.2	20.1
Claims Paid & Loans Forgiven	25.7	15.7	11.0	17.0
Total Cost of Government Support Expenses	103.7	82.5	46.8	69.4
Total Expenses	121.2	96.2	63.2	81.2
Final Operating Results	34.0	16.3	(20.5)	11.4

[a] These costs are related to collection activities performed by the Private Collection Agencies. Effective July 31, 2006, the defaulted loans were transferred to CRA. Therefore, the collection costs for fiscal year 2006–2007 are reported in part by the Human Resources and Social Development Canada and in part by the Canada Revenue Agency.

Figure 3 Consolidated Canada Student Loans Programs – Direct Loans Only

	Actual		2006-2007	
(millions of dollars)	2004-2005	2005-2006	Forecast	Actual
Revenue				
Interest Revenue on Direct Loans	226.6	315.7	419.8	453.3
Total Revenue	226.6	315.7	419.8	453.3
Expenses				
Transfer Payments				
Canada Study Grants & Canada Access Grants	64.5	129.7	119.9	146.4
Loan Administration				
Collection Costs[a]	7.0	6.9	11.3	7.1
Service Bureau Costs	46.0	50.2	66.3	65.6
Administrative Fees to Provinces and Territories	9.4	13.9	14.6	14.7
Total Loan Administration Expenses	62.4	71.0	92.2	87.4
Cost of Government Support				
Benefits Provided to Students				
In-Study Interest Borrowing Expense (Class A)[b]	163.8	159.3	166.5	185.7
In Repayment Interest Borrowing Expense (Class B)[b]	96.6	111.4	161.4	145.0
Interest Relief	28.4	43.9	56.7	63.4
Loans Forgiven	2.0	9.1	5.5	7.2
Bad Debt Expense[c]				
Debt Reduction in Repayment Expense	11.5	13.3	13.3	9.6
Bad Debt Expense	456.2	297.2	322.5	260.4
Total Cost of Government Support Expenses	758.5	634.2	725.9	671.3
Total Expenses	885.4	834.9	938.0	905.1
Net Operating Results	658.8	519.2	518.2	451.8
Alternative Payments to Non-Participating Provinces[d]	175.8	158.2	151.0	91.3
Final Operating Results	834.6	677.4	669.2	543.1

[a] These costs are related to collection activities performed by the Private Collection Agencies. Effective July 31, 2006, the defaulted loans were transferred to CRA. Therefore, the collection costs for fiscal year 2006–2007 are reported in part by the Human Resources and Social Development Canada and in part by the Canada Revenue Agency.

[b] These costs are related to Canada Student Direct Loans but reported by the Department of Finance.

[c] This represents the annual expense against the Provisions for Bad Debt and Debt Reduction in Repayment as required under Accrual Accounting. The Bad Debt Expense figure for 2004–2005 include an adjustment of $257.1M following the revised Bad Debt Provision Rate published by the Office of the Chief Actuary in the Actuarial Report on the CSLP as at July 31, 2004. This adjustment is retroactive back to the beginning of the Direct Loans Regime (2000). In addition, the Bad Debt Expense figure for 2006–2007 includes an adjustment of $(52.9)M while the Debt Reduction in Repayment Expense figure includes an adjustement of $(3.8)M. These adjustments are also retroactive back to the beginning of the Direct Loans Regime (2000). It is the result of a new methodology. In fact, as published by the Office of the Chief Actuary in the Actuarial Report on the CSLP as at July 31, 2006, the methodology was changed to a prospective approach that uses a snapshot of the portfolio at a particular point in time to determine the amount of the allowance at that time.

[d] Starting in 2003–2004, the figures represent the annual expense recorded under the Accrual Accounting as opposed to the actual amount disbursed to the Non-Participating Provinces. For 2006–2007, the total amount disbursed as Alternative Payments is for $117.6M.

Note to Reader:

The following unaudited financial statements are prepared in accordance with accrual accounting principles. Any other financial tables included in the Departmental Performance Report are prepared on a modified cash basis accounting in order to be consistent with appropriations-based reporting. Consequently, readers might not be able to reconcile financial information included in the following unaudited financial statements with the rest of the financial information included in this report.

Human Resources and Social Development Canada Financial Statements *(Unaudited)* for the Year Ended March 31, 2007

Human Resources and Social Development Canada
Management Responsibility for unaudited Financial Statements

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31st, 2007 and all information contained in these unaudited financial statements rests with the Human Resources and Social Development Canada (HRSDC) management. These financial statements have been prepared by the management of Service Canada in agreement with the management of HRSDC and were prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Some of the information in the financial statements is based on management's best estimates and judgments and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of HRSDC's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in HRSDC's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the organisation.

Management is also supported and assisted by programs of internal audit and evaluation services and audit committees. The HRSDC Management Audit and Evaluation Committee (MAEC) is a management committee which provides advice and guidance to the Deputy Minister on the results-driven accountability system of the department. The key responsibility of the MAEC is to exercise active oversight on core areas of departmental control and accountability. As well, Service Canada's Audit & Evaluation Committee (AEC) provides assurance on all key aspects of Service Canada's control frameworks and practices, the assessment of the effectiveness of its service delivery, and the relevance and appropriateness of the information used to support decision-making and reporting. The Office of the Auditor General has free and full access to the MAEC and AEC.

The financial statements of HRSDC have not been audited.

Human Resources and Social Development Canada
Management Responsibility for unaudited Financial Statements

Sherry Harrison, CMA
Comptroller
Human Resources and Social
Development Canada

Sylvie C. Lafontaine

Sylvie C. Lafontaine, CA
Chief Financial Officer
Service Canada

Janice Charette
Deputy Minister
Human Resources and Social
Development Canada

August 23, 2007

Human Resources and Social Development Canada
Statement of Operations (*Unaudited*)
For the year ended March 31

	2007	2006
	(in thousands of dollars)	
Expenses (Note 4)		
Social Investment	33,129,277	29,736,719
Employment Insurance	13,740,895	14,060,122
Employment Programs	2,657,610	2,543,417
Learning	1,373,160	1,371,586
Service Delivery	496,452	435,034
Homelessness	192,456	178,656
Labour	147,996	151,602
Workplace Skills	103,686	93,277
Social Development Policy and Innovation	47,377	2,172
Policy and Program Support	42,339	62,339
Total expenses	**51,931,248**	**48,634,924**
Revenues (Note 5)		
Employment Insurance	19,129,299	18,330,478
Learning	498,281	362,118
Service Delivery	233,272	215,153
Social Investment	46,622	57,839
Labour	2,239	2,244
Social Development Policy and Innovation	57	14
Employment Programs	8	-
Homelessness	1	-
Policy and Program Support	-	134
Workplace Skills	-	-
Total revenues	**19,909,779**	**18,967,980**
Net cost of operations	**32,021,469**	**29,666,944**

The accompanying notes form an integral part of these financial statements

Human Resources and Social Development Canada
Statement of Financial Position (*Unaudited*)
At March 31

	2007	2006
	(in thousands of dollars)	
Assets		
Financial assets		
Accounts receivable and advances (Note 6)	3,714,865	4,361,712
Canada Student Loans (Note 7)	7,960,945	7,028,065
Total financial assets	11,675,810	11,389,777
Non-financial assets		
Prepaid expenses (Note 8)	16,573	23,341
Tangible capital assets (Note 9)	138,385	162,344
Total non-financial assets	154,958	185,685
Total	**11,830,768**	**11,575,462**
Liabilities		
Accounts payable and accrued liabilities (Note 10)	1,238,732	1,179,135
Vacation pay and compensatory leave	53,068	57,105
Employee severance benefits (Note 11)	298,940	291,404
Government Annuities account (Note 12)	319,295	347,337
Due to Canada Pension Plan (Note 13)	53,584	150,851
Other liabilities (Note 14)	45,669	15,342
Capital lease obligations	-	6,079
Total liabilities	**2,009,288**	**2,047,253**
Equity of Canada (Note 15)	**9,821,480**	**9,528,209**
Total	**11,830,768**	**11,575,462**

Contingent liabilities (Note 17)
Contractual obligations (Note 18)
The accompanying notes form an integral part of these financial statements

Human Resources and Social Development Canada
Statement of Equity of Canada (*Unaudited*)
At March 31

	2007	2006
	(in thousands of dollars)	
Equity of Canada, beginning of year	**9,528,209**	**4,713,735**
Net cost of operations	(32,021,469)	(29,666,944)
Current year appropriations used (Note 3)	36,830,046	33,360,496
Revenue not available for spending (Note 3)	(667,361)	(551,576)
Change in net position in the Consolidated Revenue Fund (Note 3)	(3,879,559)	1,640,012
Services provided without charge by other government departments (Note 19)	34,746	32,486
Change in equity due to transfer of activities (Note 16)	(3,132)	-
Equity of Canada, end of year (Note 15)	**9,821,480**	**9,528,209**

The accompanying notes form an integral part of these financial statements

Human Resources and Social Development Canada
Statement of Cash Flow (*Unaudited*)
For the year ended March 31

	2007	2006
	(in thousands of dollars)	
Operating Activities		
Net costs of operations	32,021,469	29,666,944
Non-cash items:		
Amortization of tangible capital assets	(61,054)	(72,343)
Services provided without charge by other government departments	(34,746)	(32,486)
Adjustments to tangible capital assets	(6,116)	1,757
Net gain (loss) on disposal of tangible capital assets	(249)	282
Variations in Statement of Financial Position:		
(Decrease) increase in accounts receivable and advances	(646,847)	1,256,824
Portion related to transfer of activities	(901)	-
Increase in Canada Student Loans	932,880	1,010,867
(Decrease) increase in prepaid expenses	(6,768)	6,675
Decrease in liabilities	37,965	2,565,809
Portion related to transfer of activities	4,350	-
Cash used by operating activities	**32,239,983**	**34,404,329**
Capital investment activities		
Acquisitions of tangible capital assets	52,310	54,758
Transfer of work in progress to tangible capital assets	(9,096)	(9,806)
Proceeds from dispositions of tangible capital assets	(71)	(348)
Cash used by capital investment activities	**43,143**	**44,604**
Financing activities		
Net cash provided by Government of Canada	**32,283,126**	**34,448,933**

The accompanying notes form an integral part of these financial statements

Human Resources and Social Development Canada
Notes to the Financial Statements (*Unaudited*)

1. Authority and objectives

The Department of Human Resources and Social Development Canada (HRSDC) was established, effective February 6, 2006, through the amalgamation of the departments of Human Resources and Skills Development Canada and Social Development Canada, as an agent of Her Majesty of Canada. It is a Department named in the Schedule I of the *Financial Administration Act* and reports to Parliament through the Minister of Human Resources and Skills Development Canada.

HRSDC works to improve the standard of living and the quality of life of all Canadians by promoting a highly skilled and mobile workforce as well as an efficient and inclusive labour market. It supports human capital development, labour market development and is dedicated to establishing a culture of life long learning for Canadians.

Service Canada (SC) is a branch of HRSDC and is the public's primary access point to many Government of Canada programs and services, providing better, one-stop service to more Canadians in more communities. SC will continue to bring federal services and benefits together making it easier for Canadians to get more of the help they need in one place. SC integrates a range of services from a number of federal departments to form a single service delivery network.

HRSDC operates under a number of Acts and Regulations: *Department of Human Resources and Skills Development Act, Old Age Security Act* and Regulations, *Employment Insurance Act* and Regulations, *Government Annuities Act, Canada Pension Plan Act* and Regulations, *Canada Student Financial Assistance Act* and Regulations, *Canada Student Loans Act* and Regulations, *Corporations and Labour Unions Returns Act*, Section 16, and Regulations, *Fair Wages and Hours of Labour Act* and Regulations, *Family Orders and Agreements Enforcement Assistance Act, Federal-Provincial Fiscal Arrangements Act, Status of the Artist Act, Part II* and Regulations, *Vocational Rehabilitation of Disabled Persons Act and Wages Liability Act, Canada Labour Code* and Regulations, *Employment Equity Act* and Regulations and *Labour Adjustment Benefits Act.*

Human Resources and Social Development Canada achieves its objectives under ten major programs:

Social Investment

Provides Canadians with pensions and benefits for retirement, death, and disability through the *Old Age Security Act* and the Canada Pension Plan. It also includes Social Investment programs, policies and grants and contributions designed to ensure that children, families, seniors, communities and people with disabilities are provided with knowledge, information and opportunities to move forward with their own solutions to social and economic challenge.

Provides support to families to ensure all children have the best possible start in life, that parents have choice in childcare, to ensure the needs of those who provide care to loved ones are taken into account and that families' economic security is sustained through programs such as the Canada's Universal Child Care Plan, the National Child Benefit, and Multilateral Framework on Early Learning and Child Care.

Employment Insurance

Provides temporary financial assistance for unemployed Canadians, as well as to Canadians who need to take a temporary absence from work due to sickness, pregnancy, to care for a newborn or adopted child, or to provide care or support to a gravely ill family member with a significant risk of death.

Employment Programs

Enables Canadians, including unemployed adult individuals and targeted groups such as youth and Aboriginal peoples, to develop their skills and encourage them to become self-reliant, invest in themselves and become more adaptable to labour market changes.

Learning

Supports the Government of Canada's significant investments in skills and learning to assist Canadians to acquire, throughout their lives, the education and skills that will enable them to participate more fully in a knowledge-based economy and society. In collaboration with provinces, territories, learning institutions, community-based organizations and other key stakeholders, the following programs are delivered: Canada Student Loans, Canada Study Grants, Canada Education Savings Grant, Canada Learning Bond, National Literacy Secretariat, Learning Initiatives Program, International Academic Mobility and Office of Learning Technologies

Service Delivery

Provides direct, in-person service to clients through an integrated service delivery network as part of the Service Canada Initiative; delivering seamless citizen-centered service that is integrated, easy to access, simple to use, tailored for the individual circumstance, efficient and sustainable. This will enhance the integrity of programs by building public trust and confidence and ensuring that the right client receives the right service and benefits at the right time and for the intended purpose.

Homelessness

Assists communities, through partnerships, in implementing measures that help homeless individuals and families to move toward self-sufficiency, to become active in society and contribute to the economy.

Labour

The Labour program activity promotes and sustains stable industrial relations and a safe, fair, healthy, equitable and productive workplace within the federal labour jurisdiction. It collects and disseminates labour and workplace information, represents Canada at international labour activities, fosters constructive labour-management relationships and ensures that minimum labour standards and occupational health and safety protections are enforced.

Workplace Skills

Supports the collaboration of industry partners and stakeholders in identifying, addressing and promoting workplace skills development and recognition issues that reflect the realities of Canadian workplaces in our rapidly evolving labour market. Workplace also develops and disseminates knowledge and information from a national, regional and local perspective, which is vital in supporting and contributing to a well-functioning labour market.

Social Development Policy and Innovation

Leads and collaborates with key partners to mobilize the many levers across governments and society that together drive social development and well-being in Canada.

Advances policy development across the spectrum of new and emerging social policy issues, leading to the development of policies, programs and knowledge products that are relevant and responsive to Canadians' needs and expectations and that fosters social development and well-being in Canada.

Develops policies that enable communities to enhance their own skills and resources to address locally identified needs and improve the lives of Canadians.

Policy and Program Support
Provides an evidence basis for the review and development of broad policy frameworks and strategies. It provides audit, evaluation and research that underpin strategic policy and ensure accountability. It also oversees the establishment of relationships with other governments and stakeholders as well as plays a key role in planning, communications and ministerial support services.

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) Parliamentary appropriations – HRSDC is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the department do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

(b) Net Cash Provided by Government – HRSDC operates within the Consolidated Revenue Fund (CRF) which is administered by the Receiver General for Canada. All cash received by HRSDC is deposited to the CRF and all cash disbursements made by HRSDC are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(c) Change in net position in the Consolidated Revenue Fund is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non respendable revenue recorded by the department. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) Revenues:
- EI Premiums are recognized as revenue in the period in which they are earned. EI Premiums earned in the period are measured from amounts assessed by the Canada Revenue Agency (CRA) and from estimates of amounts not assessed based on cash received. Premium revenue also includes adjustments between actual and estimated premiums of previous years.
- Interest revenues on student loans are recognized in the year they are earned.
- Recoveries of Canada Pension Plan administration costs are recognized in the accounts based on the services provided in the year.
- Other revenues are accounted for in the year in which the underlying transaction or event occurred that gave rise to the revenues.

(e) Expenses – Expenses are recorded on the accrual basis:

- Grants are recognized in the year in which the conditions for payment are met. In the case of grants which do not form part of an existing program, the expense is recognized when the Government announces a decision to make a non-recurring transfer, provided the enabling legislation or authorization for payment receives parliamentary approval prior to the completion of the financial statements.
- Contributions are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement.
- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
- Services that are provided without charge by other federal government departments for the employer's contribution to the health and dental insurance plans and legal services are recorded as operating expenses at their estimated costs.

(f) Employee future benefits:

- Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multi-employer plan administered by the Government of Canada. HRSDC contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. Current legislation does not require HRSDC to make contributions for any actuarial deficiencies of the Plan.
- Severance benefits: Employees are entitled to severance benefits, as provided for under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Accounts receivable – Accounts receivable are stated at amounts expected to be ultimately realized. A provision is made for accounts receivable where recovery is considered uncertain.

(h) Canada Student Loans – Loans are recorded at original cost plus accrued interest receivable less reimbursements and valuation allowances. Interest revenue is accrued in the period earned for loans in good standing. Interest is not accrued on loans considered unrecoverable.

An allowance is recorded in HRSDC's financial statements in order to consider bad debts and debt reduction in repayment (DRR) for Canada Student Loans. The allowance rate is determined according to an actuarial estimate based on the age of the accounts and their status. For the year ended March 31, 2007, the rate was established at 14.6% (14.6% in 2006) of the disbursements incurred since the beginning of the program for bad debts and at 0.7% (0.7% in 2006) of the same amount for DRR. The allowance for bad debts is calculated on a monthly basis.

(i) Contingent liabilities – Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(j) Tangible capital assets – All tangible capital assets and leasehold improvements having an initial cost of $10,000 or more are recorded at their acquisition cost. Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	**Amortization period**
Machinery and equipment	5 years
Informatics hardware	5 years
Informatics software	3-5 years
Other equipment and furniture	5 years
Motor vehicles	5 years
Capital leases	term of the lease
Leaseholds improvements	term of the lease
Assets under construction	once in service, in accordance with asset type

(k) Measurement uncertainty – The preparation of these financial statements in accordance with the Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the determination of the allowances for doubtful accounts, the contingent liabilities, the liability for employee severance benefits, the EI premiums, the OAS benefit repayments and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. These estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary appropriations

HRSDC receives most of its operating funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, HRSDC has different net costs of operations for the year on a government funding basis than on an accrual accounting basis. Furthermore, as a consolidated specified purpose account, the Employment Insurance (EI) account expenses and revenues recognized in HRSDC's statement of operations do not affect Parliamentary appropriations. The differences are reconciled in the following tables:

Human Resources and Social Development Canada Notes to the Financial Statements (*Unaudited*)

(a) Reconciliation of net cost of operations to current year appropriations used:

	2007	2006
	(in thousands of dollars)	
Net cost of operations	32,021,469	29,666,944
Adjustments for items affecting net cost of operations but not affecting appropriations:		
Add (less):		
Net EI transactions	3,302,393	2,268,843
Revenues not respendable by the department	667,361	551,576
Bad debts	(417,289)	(367,849)
Amortization	(61,054)	(72,343)
Services provided without charge by other government departments	(34,746)	(32,486)
Adjustments to grants and contributions	17,177	(9,403)
Refunds of program expense	56,306	8,482
Net (loss) gain on disposal of tangible capital assets	(249)	282
Decrease of allowance for loan guarantees and other allowances	9,229	12,987
(Increase) of severance pay accrual	(6,594)	(36,264)
Decrease (increase) in vacation pay and compensatory leaves	4,271	(3,605)
(Decrease) in prepaid expenses	(1,582)	(1,774)
Justice Canada legal fees	(6,298)	(6,067)
Reclassification of tangible capital assets	5	1,758
	35,550,399	31,981,081
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Add (less):		
Canada Student Loans disbursed	1,231,928	1,331,300
Debt Reduction and Forgiveness of Canada Student Loans	3,504	97
Increase in prepaid expenses	973	1,582
Tangible capital assets acquisitions	52,310	54,758
Transfer of work in progress to finished assets	(9,096)	(9,806)
Capital leases repayments	28	1,484
Current year appropriations used	**36,830,046**	**33,360,496**

(b) Appropriations provided and used:

	2007	2006
	(in thousands of dollars)	
Vote 1 – Operating expenditures	655,567	588,073
Vote 5 – Grants and contributions	1,797,801	1,137,944
Vote 7 – Debt Write offs	424	-
Statutory amounts:		
Old Age Security	30,284,055	28,992,324
Canada Student loans	1,231,928	1,331,300
Other	3,669,239	1,434,290
Less:		
Available for use in subsequent years	(111)	(367)
Lapsed appropriations:		
Operating	(42,642)	(47,379)
Grants and contributions	(766,058)	(75,649)
Debt Write offs	(88)	-
Statutory	(69)	(40)
Current year appropriations used	**36,830,046**	**33,360,496**

(c) Reconciliation of net cash provided by Government to current year appropriations used:

	2007	2006
	(in thousands of dollars)	
Net cash provided by Government	32,283,126	34,448,933
Revenue not respendable by the department	667,361	551,576
Change in net position in the Consolidated Revenue Fund:		
Decrease (increase) in accounts receivable and advances	647,748	(1,256,824)
Increase in liabilities (other than the Canada Pension Plan)	54,952	54,384
(Decrease) in Canadian Pension Plan (CPP)	(97,267)	(2,620,193)
Net EI transactions	3,302,393	2,268,843
Other	(28,267)	(86,223)
Current year appropriations used	**36,830,046**	**33,360,496**

4. Expenses

The following table presents details of expenses by category:

	2007	2006
	(in thousands of dollars)	
Benefits and transfer payments		
EI benefits and support measures	14,077,937	14,418,190
Individuals	32,786,425	29,938,701
Other levels of government within Canada	1,026,411	450,624
Non-profit organizations	694,845	687,811
Industry	30,367	27,225
Other countries and international organizations	2,645	2,578
Total transfer payments	48,618,630	45,525,129
Operating		
Salaries and benefits	1,724,568	1,713,519
Professional and special services	416,295	371,297
Bad debts on Canada Student Loans	409,175	355,123
Administration costs related to EI	229,259	171,052
Rentals	193,464	172,563
Transportation and telecommunication	122,962	113,807
Bad debts	107,085	68,394
Amortization	61,054	72,343
Others	48,756	71,697
Total operating expenses	3,312,618	3,109,795
Total expenses	**51,931,248**	**48,634,924**

The operating expenditures of HRSDC include the consolidated expenditures of the EI account, which amount to $1,736,640 thousand ($1,631,894 thousand in 2006).

5. Revenues

The following table presents details of revenues by category:

	2007	2006
	(in thousands of dollars)	
Employment Insurance account:		
Employment Insurance (EI) premiums	17,109,171	16,916,659
Interest on the balance of the EI account	1,912,249	1,323,562
Penalties and interest on EI receivables	95,550	78,706
Subtotal EI revenues	19,116,970	18,318,927
Interest on Canada Student Loans	497,421	360,579
Recovery of Canada Pension Plan administration costs	278,911	270,345
Other revenues	16,477	18,129
Total revenues	**19,909,779**	**18,967,980**

6. Accounts receivable and advances

The following table presents details of accounts receivable and advances:

	2007	2006
	(in thousands of dollars)	
Accounts receivable from other federal government departments and agencies:		
EI premiums and benefit repayments receivable from the Canada Revenue Agency	1,253,655	1,501,075
Old Age Security benefit repayments receivable from the Canada Revenue Agency	1,087,336	1,656,523
Other	385,001	458,412
Accounts receivable external to the Government:		
EI overpayments to be recovered	481,688	478,982
EI fines and penalties	180,445	203,731
Accrued interest on loans receivable	443,893	436,255
Other	586,451	345,192
Total accounts receivable	4,418,469	5,080,170
Less: Allowance for doubtful accounts on external accounts receivable	(716,737)	(731,595)
Net accounts receivable	3,701,732	4,348,575
Advances to Provincial Workers Compensation	13,013	13,013
Advances to employees	120	124
Total accounts receivable and advances	**3,714,865**	**4,361,712**

7. Canada Student Loans

Loans issued on or after August 1, 2000 are operated under the authority of section 6.1 of the *Canada Student Financial Assistance Act*, which authorizes HRSDC to enter into loan agreements directly with qualifying students. Direct Loans and the Risk-Shared Loans under the *Canada Student Financial Assistance Act* are provided interest-free to full-time students and afterwards bear interest at either a variable rate of 2.5% above the prime rate or a fixed rate of 5.0% above the prime rate. The maximum repayment period is 10 years.

Loans issued prior to August 1, 2000 include loans outstanding which are amounts related to student loans subrogated to the Crown under the *Canada Student Loans Act* and under the *Canada Student Financial Assistance Act*. The Guaranteed Loans under the *Canada Student Loans Act* are provided interest-free to full-time students and afterwards bear interest as was set by the Canada Student Loan Program. The maximum repayment period is 10 years.

	2007	2006
	(in thousands of dollars)	
Direct Loans	9,430,977	8,199,049
Guaranteed Loans	435,395	554,910
Risk-Shared Loans	201,720	234,529
Unamortized discount on defaulted risk shared loans	(191,635)	(222,803)
Allowance for doubtful accounts	(1,915,512)	(1,737,620)
Total Canada Student Loans	**7,960,945**	**7,028,065**

Guaranteed and Risk-Shared loans write-offs for the year ended March 31, 2007 are $159 million ($54 million in 2006) and payments received while account is in write-off status are $0.3 million ($0.4 million in 2006).

8. Prepaid expenses

Prepayments on transfer payments are issued when it is necessary to meet program objectives and it is permitted under the agreement. Prepayments on transfer payments do not exceed the expenditures expected to be incurred by the recipient during April. Other prepaid expenses include prepayments of postage, rent, maintenance fees, legal fees and other operations expenses.

	2007	2006
	(in thousands of dollars)	
Prepaid transfer payments	15,600	21,759
Other prepaid expenses	973	1,582
Total prepaid expenses	**16,573**	**23,341**

9. Tangible capital assets

	Cost					Accumulated amortization						
Tangible capital asset class	Opening balance	Acquisition due to activities transfer	Acquisitions	Disposal, write-offs and adjustments	Closing balance	Opening balance	Acquisition due to activities transfer	Amortization	Disposal, write-offs and adjustments	Closing balance	**2007** Net book value	**2006** Net book value
	(in thousands of dollars)											
Machinery & equipment	2,143	-	216	(35)	2,324	1,553	-	229	(35)	1,747	577	590
Informatics hardware	178,494	630	5,068	3,976	188,168	149,455	534	12,593	7,785	170,367	17,801	29,039
Informatics software	151,561	576	10,192	44	162,373	89,238	355	25,347	(19)	114,921	47,452	62,323
Other equipment & furniture	8,409	-	404	(125)	8,688	5,124	-	894	(124)	5,894	2,794	3,285
Motor vehicles	7,873	-	31	(668)	7,236	5,656	-	591	(563)	5,684	1,552	2,217
Capital lease – informatics hardware	11,578	-	-	(11,578)	-	9,263	-	-	(9,263)	-	-	2,315
Capital lease – other equipment	1,136	-	-	-	1,136	1,070	-	66	-	1,136	-	66
Work in progress for in-house development software	13,701	-	18,929	(9,096)	23,534	-	-	-	-	-	23,534	13,701
Leaseholds improvements	140,467	-	17,470	(2,868)	155,069	91,659	-	21,334	(2,599)	110,394	44,675	48,808
Total tangible capital assets:	**515,362**	**1,206**	**52,310**	**(20,350)**	**548,528**	**353,018**	**889**	**61,054**	**(4,818)**	**410,143**	**138,385**	**162,344**

Amortization expense for the year ended March 31, 2007 is $61.1 million ($72.3 million in 2006).

10. Accounts payable and accrued liabilities

	2007	2006
	(in thousands of dollars)	
Accrued salaries and wages	92,890	49,860
Accounts payable and accrued liabilities to external parties	735,686	829,980
Accounts payable and accrued liabilities to other federal government departments and agencies	299,486	151,330
Allowance for alternative payments for non-participating provinces to Canada Student Loans	78,835	105,065
Allowance for loan guarantees	29,279	38,508
Other payables and accrued liabilities	2,556	4,392
Total accounts payable and accrued liabilities	**1,238,732**	**1,179,135**

11. Employee benefits

(a) Pension benefits: The department's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2% per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Quebec Pension Plans benefits and they are indexed to inflation.

Both the employees and the department contribute to the cost of the Plan. The expense for the year ended March 31, 2007 amounts to $167.7 million ($180 million in 2006), which represents approximately 2.2 times the contributions by employees (2.6 in 2006). The department's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits: The department provides severance benefits to its employees based on eligibility, years of service and final salary. The severance benefit liability is based on a percentage provided by Treasury Board, applied to the eligible payroll as at March 31. Treasury Board determines the percentage based on an actuarial evaluation of the future liability for the entire government eligible employees. The rate as at March 31, 2007 was 23.64% (23.2% at March 31, 2006). These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

	2007	2006
	(in thousands of dollars)	
Accrued benefit obligation, beginning of year	291,404	255,140
Increase due to activities transfer	942	-
Expense for the year	53,209	62,009
Benefits paid during the year	(46,615)	(25,745)
Accrued benefit obligation, end of year	**298,940**	**291,404**

12. Government Annuities

HRSDC administers the Government Annuities Accounts. This account was established by the *Government Annuities Act*, and modified by the *Government Annuities Improvement Act*, which discontinued sales of annuities in 1975. The account is valued on an actuarial basis each year, with the deficit or surplus charged or credited to the Consolidated Revenue Fund.

The purpose of the *Government Annuities Act* was to assist Canadians to provide for their later years, by the purchase of Government annuities.

Receipts and other credits consist of premiums received, funds reclaimed from the Consolidated Revenue Fund for previously untraceable annuitants, earned interest and any transfer needed to cover the actuarial deficit. Payments and other charges represent matured annuities, the commuted value of death benefits, premium refunds and withdrawals, and actuarial surpluses and unclaimed items transferred to non-tax revenues. The amounts of unclaimed annuities, related to untraceable annuitants, are transferred to non-tax revenues.

Total income amounted to $23.4 million ($24.5 million in 2006), $22.5 million ($24.4 million in 2006) of which represented interest of 7% credited to the account. Premiums received totalled $21,253 ($8,200 in 2006). Total disbursements of $48.3 million ($51 million in 2006) originated mainly from the $47.9 million ($50.5 million in 2006) in payments made under matured annuities. An amount of $71,877 ($98,379 in 2006) was used to refund premiums at death before maturity or when the annuity would have been too small, and $180,781 ($202,346 in 2006) was transferred to the Consolidated Revenue Fund as a result of unclaimed annuities.

	2007	2006
	(in thousands of dollars)	
Government Annuities, beginning of year	347,337	377,266
Receipts and other credits	22,765	24,726
Payments and other charges	(50,807)	(54,655)
Government Annuities, end of year	**319,295**	**347,337**

13. Due to Canada Pension Plan (CPP)

The Minister of HRSDC, on behalf of the Government of Canada, is responsible for the administration of the *Canada Pension Plan*. The financial activities of the Canada Pension Plan (the Plan) are not part of HRSDC's reporting entity because it is under joint control of the federal and the participating provincial governments. Established in 1965, the CPP operates in all parts of Canada, except in Quebec which operates a comparable program.

The Plan is a compulsory and contributory social insurance program which is designed to provide a measure of protection to Canadian workers and their families against loss of earnings due to retirement, disability or death.

Under existing arrangements, all pensions, benefits and expenditures incurred in the administration of the Plan are financed from contributions made by employees, employers and self-employed persons, and from investment returns.

The CPP account (the Account) was established in the accounts of Canada by the CPP Act to record the contributions, interests, pensions and benefits and operating expenses of the Plan. It also records the amounts transferred to or received from the CPP Investment Board.

The revenues and expenses are recorded as increases and decreases to the account. The detailed revenues, expenses, assets and liabilities are reported in the CPP distinct set of Consolidated Audited Financial Statements. The year-end liability represents the balance of the CPP assets on deposit in the Consolidated Revenue Fund.

	2007	2006
	(in thousands of dollars)	
Canada Pension Plan, beginning of year	150,851	2,771,044
Receipts and other credits	59,563,344	55,319,600
Payments and other charges	(59,660,611)	(57,939,793)
Canada Pension Plan, end of year	**53,584**	**150,851**

14. Other liabilities

Labour Market Development Agreement - Ontario: HRSDC and the Government of Ontario (Ontario) entered into a Labour Market Development Agreement on January 1st, 2007 where the design and delivery of the active employment benefits and support measures have been devolved to the province. A specified purpose account was established to account for funds received from Ontario to support interim administrative agreements.

Civil Service Insurance Fund: This account was established by the *Civil Service Insurance Act*, introduced to enable the Minister of Finance to contract with a person appointed to a permanent position in any branch of the public service, for the payment of certain death benefits. No new contracts have been entered into since 1954, when the Supplementary Death Benefit Plan for the Public Service and Canadian Forces was introduced as part of the *Public Service Superannuation Act* and the *Canadian Forces Superannuation Act*, respectively. As of April 1st, 1997, the Department of HRSDC assumed responsibility for the administration and the actuarial valuation of the *Civil Service Insurance Act*.

Other liabilities: This account includes certain other funds in which special categories of revenues and expenses report transactions of certain accounts where enabling legislation requires that revenues be earmarked, and that related expenses be charged against such revenues. The expenses and revenues are recorded as increases and decreases to the liability accounts and are not recorded as revenues and expenses of HRSDC.

	2007	2006
	(in thousands of dollars)	
Labour Market Development Agreement - Ontario	30,780	-
Civil Service Insurance Fund	6,133	6,284
Other liabilities	8,756	9,058
Total other liabilities	**45,669**	**15,342**

15. Equity of Canada

The department includes in its revenues and expenses transactions of the Employment Insurance program. The *Employment Insurance Act* and regulations requires that the employer and employee contributions and related revenue be segregated and that related expenses be charged against this revenue.

	2007	2006
	(in thousands of dollars)	
Restricted Equity for EI, opening balance	50,816,262	48,547,419
Revenues under the EI program	19,116,970	18,318,927
Expenses under the EI program	(15,814,577)	(16,050,084)
Restricted Equity for EI, closing balance	54,118,655	50,816,262
Unrestricted Equity	(44,297,175)	(41,288,053)
Equity of Canada	**9,821,480**	**9,528,209**

16. Transfer of Activities

On September 12, 2005 the Prime Minister announced a significant reorganization of government. Effective April 1, 2006 Public Works and Government Services Canada (PWGSC) has transferred the Public Access Programs which includes the four following areas: Canada Site, Publiservice, Canada Enquiry Centre, and Gateways and Clusters; to the department under the Service Canada initiative. The prior year figures have not been restated to reflect this transfer. The effect on the 2007 Statement of Financial Position is shown as follows:

	2007
	(in thousands of dollars)
Assets	
Financial assets	
Accounts receivable and advances	901
Non-financial assets	
Tangible capital assets (Note 9)	317
Total	**1,218**
Liabilities	
Accounts payable and accrued liabilities	3,174
Employee severance benefits (Note 11)	942
Vacation pay and compensatory leave	234
	4,350
Equity of Canada	(3,132)
Total	**1,218**

The bulk of the revenues and expenses for these programs remained with PWGSC for the 2006-07 fiscal year as the funding will not be provided to the department until the 2007-08 fiscal year. Comparative figures are not available since the necessary financial information is not reasonably determinable.

17. Contingent Liabilities

(a) Claims and litigation

Claims, litigations and grievances have been made against the department in the normal course of operations. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the financial statements. Based on Justice Canada's legal assessment of potential liability, no liability was recorded at March 31, 2007.

(b) Loan guarantees

Losses on loan guarantees are recorded in the accounts when it is likely that a payment will be made to honour a guarantee and where the amount of the anticipated loss can be reasonably estimated. The amount of the allowance for losses is determined by taking into consideration historical loss experience and current economic conditions. The increase or decrease in the allowance for loan losses between years is recorded in operating expenses. As at March 31, 2007, HRSDC has guaranteed the following debt:

	Authorized Limit	Contingent Liability
	(in thousands of dollars)	
Guaranteed loans under the *Canada Student Loans Act*	10,781,963	177,451

Under the *Canada Student Loans Act*, HRSDC guarantees loans made by banks, credit unions, and certain other companies to qualifying students. The terms of repayment are established on the basis of the attendance at a designated educational institution. As at March 31, 2007, HRSDC has an allowance for loan losses of $29.2 million for these guarantees ($38.5 million as at March 31, 2006).

18. Contractual obligations

The nature of the HRSDC's activities can result in some large multi-year contracts and obligations whereby HRSDC will be obligated to make future payments when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

	2008	**2009**	**2010**	**2011**	**2012 and thereafter**	**Total**
			(in thousands of dollars)			
Transfer payments	1,054,664	520,615	53,682	1,190	-	1,630,151
Operating and Maintenance	120,000	28,000	-	-	-	148,000
Total contractual obligations	**1,174,664**	**548,615**	**53,682**	**1,190**	-	**1,778,151**

19. Related party transactions

HRSDC is related in terms of common ownership to all Government of Canada departments, agencies and Crown Corporations. The department enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the department received services which were obtained without charge from other federal government departments as presented in part (a).

(a) Services provided without charge:

During the year, HRSDC received services without charge from other federal government departments. These services include the employer's contribution to the health and dental insurance plans and legal fees. These services without charge have been recognized in the department's Statement of Operations as follows:

	2007	2006
	(in thousands of dollars)	
Employer's contributions to the health and dental insurance plans paid by Treasury Board Secretariat	29,600	29,054
Legal services provided by Justice Canada	5,146	3,432
Total services provided without charge	**34,746**	**32,486**

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada and audit services provided by the Office of the Auditor General, are not included as an expense in the department's Statement of Operations.

(b) Agreements signed with other federal government departments:

HRSDC, through the Service Canada (SC) initiative, has several agreements with other federal government departments in order to provide Canadians with better access to programs and services. As of March 31, 2007, SC had signed agreements with the following departments: Agriculture and Agri-Food Canada, Citizenship and Immigration Canada, Canada Border Services Agency, Public Works and Government Services Canada, Passport Canada, Transport Canada, Veterans Affairs Canada, Department of National Defence, Public Service Commission, Royal Canadian Mounted Police, Canadian Heritage, Office of Indian Residential Schools Resolutions Canada and Fisheries and Oceans.

20. Comparative information

Comparative figures have been reclassified to conform to the current year's presentation.

Section IV

Other Items of Interest

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Programs Supporting Priorities by Strategic Outcome

Policies and Programs that meet the human capital and social development needs of Canadians

Program Activity: Policy, Research and Communication

The policy, research and communication program activity provides strategic policy leadership with a focus on domestic and international partnerships, and supports the development of programs and policies with audit, evaluation and research functions. This activity also supports the achievement of the Department's strategic and operational goals through planning and communications.

Strategic Policy

The Department focuses on addressing social and human capital challenges of Canadians through strategic, innovative solutions. To move forward with implementing the Government's commitments in the area of human resources and social development, the Department develops foundational policy frameworks and strategies. These frameworks and strategies also enable the Department to identify emerging policy issues for Canadians.

Knowledge, Analysis, Audit and Evaluation

Knowledge management, audit and evaluation support strong accountability, innovative and responsive policies and programs and evidence-based decision-making by governments, public institutions, businesses, communities, families and citizens.

Public Affairs and Engagement

The Department pursues engagement activities to develop better policies and programs by seeking Canadians' views and broadening knowledge and research.

Enhanced Canadian productivity and participation through efficient and inclusive labour markets, competitive workplaces and access to learning

Program Activity: Labour Market

Labour market programming includes income benefits and active employment measures which provide temporary income support to eligible workers and enables Canadians to develop their skills, maintain or improve their employment earnings and become more adaptable to labour market changes.

Employment Insurance

Employment Insurance promotes individual well being, economic stability and a flexible labour market by providing temporary income support to unemployed workers who qualify under Part I of the *Employment Insurance Act*. Employment Insurance encompasses a wide range of benefits to address the needs of workers and the labour market.

Employment Insurance Benefits– This program provides temporary financial assistance to unemployed Canadians (including self-employed fishers) while they look for work, participants in work-sharing agreements, and to Canadians who need to take a temporary absence from work for sickness, pregnancy and childbirth, caring for a newborn or adopted child, or to provide care or support to a gravely ill family member with a significant risk of death. Temporary income support is provided to unemployed workers under Part I of the *Employment Insurance Act*. Through an Agreement with the Government of Canada, as of January 2006, the province of Quebec provides its own maternity and parental coverage for its residents, rather than through the Employment Insurance program.

http://www1.servicecanada.gc.ca/en/ei/menu/eihome.shtml

Operational activities that support delivery of Employment Insurance benefits include:

> Claims Processing – Assessment, calculation and adjudication of Employment Insurance claims to determine entitlement and eligibility for benefits.
>
> Appeals – This provision of the *Employment Insurance Act* provides a right of appeal for claimants, employers and the Employment Insurance Commission. There are four levels of appeals, namely, the Board of Referees, the Umpire, the Federal Court and the Supreme Court of Canada.
>
> Investigation and Control – Prevention, deterrence, and detection activities and controls that prevent abuse and fraud against the Employment Insurance Program.
>
> Program Management and Service Improvement – This measure provides functional guidance, policy direction, actuarial services, performance measurement and reporting, and Employer services including premium reductions.

Employment Insurance Premium Collection – Payments to Canada Revenue Agency for the collection of Employment Insurance premiums, insurability rulings and related appeals on behalf of the Employment Insurance Commission.

http://www.cra-arc.gc.ca/menu-e.html

Employment Programs

Employment programs and services are funded under the Consolidated Revenue Fund and Part II of the *Employment Insurance Act*. These enable Canadians, including unemployed adults and targeted groups such as youth and Aboriginal peoples, to develop their skills and encourage them to invest in themselves and become self-reliant.

Employment Benefits and Support Measures

Part II of the *Employment Insurance Act* authorizes the design and implementation of Employment Benefits and Support Measures to help unemployed participants to prepare for, find and keep employment and to support organizations, businesses and communities that provide employment assistance services.

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/gc.shtml

Labour Market Development Agreements Transfers

Under the authority of the *Employment Insurance Act*, Labour Market Development Agreements have been signed with all provinces and territories, including a recent agreement with Ontario implemented January 1, 2007. Eight of these agreements are in the form of a transfer agreement under which six provinces and two territories have assumed responsibility for the design and delivery of provincial/territorial programs and services similar to Employment Benefits and Support Measures. Under co-management Labour Market Development Agreements in four provinces and one territory, the Employment Benefits and Support Measures are designed and managed jointly among Service Canada, Human Resources and Social Development Canada and the provinces/territories. Pan-Canadian programs maintained under the Human Resources and Social Development Canada management are available to address labour market issues and priorities that are national or multi-regional in scope.

http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/lmda-edmt/description_e.asp

Aboriginal Human Resources Development Strategy

The Aboriginal Human Resources Development Strategy is designed to assist Aboriginal people to prepare for, find and keep employment and builds Aboriginal capacity for human resources development. The Aboriginal Human Resources Development Strategy is delivered through agreements with 80 Aboriginal Human Resource Development Agreements holders across the country. The Aboriginal Human Resources Development Strategy integrates most of the Department's Aboriginal programming

http://srv119.services.gc.ca/AHRDSInternet/general/public/thestrategy/thestrategy_e.asp

Aboriginal Skills and Employment Partnerships

Complementary to the Aboriginal Human Resources Development Strategy, Aboriginal Skills and Employment Partnerships is a nationally managed program geared toward supporting collaboration among Aboriginal groups, the private sector and provincial/territorial governments. The goal of Aboriginal Skills and Employment Partnerships is to ensure sustainable employment for Aboriginal people in major, large-scale economic opportunities, (such as diamond mining, oil and gas exploration and development and major forestry initiatives) leading to long-term Benefits for Aboriginal communities, families and individuals.

http://srv119.services.gc.ca/AHRDSInternet/general/public/asep/asep_e.asp

Youth Employment Strategy

The Youth Employment Strategy programs ensure that Canada's youth are well prepared to participate and succeed in today's changing labour market. The Strategy is delivered in partnership with the private sector and non-governmental organizations through the collective efforts of twelve federal departments, agencies and corporations, with the Department in the lead role. Under the Strategy, youth employment initiatives target youth from 15 to 30 years of age who are unemployed or underemployed. This national strategy offers a broad range of initiatives under three programs: Skills Link, Summer Work Experience and Career Focus.

http://www.youth.gc.ca

Youth Awareness Initiative: Youth Awareness is an initiative funded under EI Part II that complements the Youth Employment Strategy Programs. The Youth Awareness Program provides young Canadians with accurate information that will enable them to make appropriate career choices. Youth Awareness also ensures that employers find well-prepared young people to respond to future labour needs.

Labour Market Adjustments

Labour Market Adjustments provide assistance to employers and workers to avert temporary layoffs and retain skills by providing timely response to emergencies.

Official Language Minority Communities

Enabling Fund for Official Language Minority Communities – Human Resources and Social Development Canada provides funding to Official Language Minority Communities designated organizations, Regroupements de développement économique et d'employabilité and Community Economic Development and Employability Committees through contribution agreements. The funding ensures continuity of activities for the organizations that foster the development of human resources, economic growth, and job creation and retention in official language minority communities.

http://www1.servicecanada.gc.ca/en/epb/olscc/fund.shtml

Other

Work Sharing Program

The Work Sharing Program enables employers to retain workers and avoid layoffs during temporary work slowdowns, while allowing employees to maintain their skills.

http://www.hrsdc.gc.ca/en/epb/sid/cia/grants/ws/desc_ws.shtml

Targeted Initiative for Older Workers

Targeted Initiative for Older Workers is a two-year federal-provincial/territorial cost shared initiative to assist unemployed older workers in communities affected by significant downsizing or closures, or ongoing high unemployment, through programming aimed at reintegrating them into employment. The initiative is delivered through bilateral agreements with provinces and territories which are responsible for identifying affected communities, as well as the design and delivery of projects.

This interim initiative has been put in place while a feasibility study to evaluate current and potential measures to address the challenges faced by displaced older workers is undertaken.

http://www.hrsdc.gc.ca/en/cs/sp/hrsd/eppd/tiow.shtml

Program Activity: Workplace Skills

The Workplace Skills program activity supports the collaboration of industry partners and stakeholders in identifying, addressing and promoting workplace skills development and recognition issues that reflect the realities of Canadian workplaces in our rapidly evolving labour market. It also develops and disseminates knowledge and information, which is vital in supporting and contributing to a well-functioning labour market.

Workplace Partnerships

Workplace Partnerships advance partnerships with industry and the learning system to ensure that Canadians have the skills and knowledge required for the workplace. The activities are divided into the following main business lines/programs.

Sector Council Program

Sector Councils are formal, national partnerships of businesses and workers that address human resources and workplace skills development on a sectoral basis. Contribution payments under the Sector Council Program support research and project based activities proposed by Sector Councils and other national organizations (sector-like) working on skills and learning issues.

Sector Council Program supports sector council activities that include:

- Labour market forecasting and analysis;
- National occupational standards;
- Curriculum tailored to industry needs;
- Skills development tools, including e-learning;
- Essential skills initiatives; and
- Integration of foreign trained workers.

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/spi.shtml

Trades and Apprenticeship

The Directorate implements the Trades and Apprenticeship Strategy in cooperation with the Canadian Council of Directors of Apprenticeship and provides direction and advice to Service Canada for the implementation of the new Apprenticeship Incentive Grant program. The Directorate also works with the provinces and territories through the Canadian Council of Directors of Apprenticeship to facilitate and increase the labour mobility of skilled trades' workers; and works with public and private sector partners and stakeholders to strengthen apprenticeship systems in Canada enabling them to respond more effectively to the demands of the knowledge-based economy.

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/almi.shtml

The Interprovincial Standards "Red Seal" Program

This is an interprovincial program, designed to facilitate mobility through interprovincial certification based on national occupational standards and examinations for the 49 Red Seal trades. It also encourages standardization of provincial and territorial apprenticeship training and certification programs. Apprentices who have completed their training and certified journeypersons are able to obtain a "Red Seal" endorsement on their Certificates of Qualification and Apprenticeship Completion by successfully completing an Interprovincial Standards "Red Seal" Examination.

http://www.red-seal.ca/Site/index_e.htm

The Training Centre Infrastructure Fund

The Training Centre Infrastructure Fund was a three-year pilot project to encourage, through federal funding, increased investment by unions and employers in purchasing up-to-date training equipment for union-employer training centres. The Infrastructure Fund was discontinued in the fall of 2006.

The Workplace Skills Initiative

This initiative supports partnership-based projects that test and evaluate promising, outcomes-focused approaches to skills development for employers and employed Canadians.

http://www.hrsdc.gc.ca/en/ws/initiatives/wsi/index.shtml

The Workplace Partners Panel

The Panel provided Canadian industry and the Government of Canada with a forum to exchange perspectives and intelligence, and a research capacity focused on workplace skills issues. It was charged with galvanizing Canada's industry, educational partners and governments to integrate the workplace into Canada's learning system. The Workplace Partners Panel completed its work and was disbanded in the Fall of 2006.

Foreign Workers and Immigrants

Foreign Workers and Immigrants helps internationally trained individuals integrate and participate effectively in the Canadian labour market, as well as enhances interprovincial mobility of internationally and domestically trained workers. This work is done in conjunction with Provincial and Territorial partners and stakeholders across Canada, including other federal departments, industry, and regulatory bodies. The activities are divided into four main business lines/programs.

Foreign Credential Recognition

Foreign Credential Recognition supports knowledge and project-based activities proposed by various stakeholders such as sector councils, industry groups, regulatory bodies, provinces/territories, and educational bodies, working on foreign credential assessment and recognition issues.

http://www.hrsdc.gc.ca/en/ws/programs/fcr/index.shtml

Going To Canada Immigration Portal

Going to Canada immigration portal provides prospective immigrants, students, workers and newcomers with settlement and labour market information, services and tools to help them make informed decisions about coming to Canada and facilitate their integration into Canada's labour market and society. Workplace Skills is responsible for enhancing the Working in Canada section of the Going to Canada *Immigration Portal*.

http://www.directioncanada.gc.ca/

Foreign Worker Program

The Foreign Worker Program assists Canadian employers in meeting their human resource needs by facilitating the entry of temporary foreign workers into areas of the labour market with demonstrated occupational shortages, while still considering the employers' efforts to hire and recruit Canadians.

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/fw.shtml

Interprovincial Labour Mobility

Interprovincial Labour Mobility co-ordinates federal activity to improve interprovincial labour mobility under the Agreement on Internal Trade, so that workers who qualify in one province/territory can have their qualifications recognized in another.

Skills and Labour Market Information

Skills and Labour Market Information is available to help employed and unemployed job seekers, people choosing a career, career practitioners, employment service providers, employers, education/learning institutions, and community development organizations in making informed decisions related to skills, human resources and the labour market. LMI and related products and services contribute to a well-functioning labour market. Workplace Skills' LMI activities are divided into three main business lines.

National Occupational Classification

National Occupational Classification provides a standardized language for describing the work performed by Canadians in the labour market and continues to be the authoritative resource on occupational information in Canada. The NOC contains the classification structure and descriptions of 520 occupational unit groups and includes over 30,000 occupational titles.

http://www.sdc.gc.ca/en/hip/hrp/noc/noc_index.shtml

Essential Skills

Essential Skills are required for work, home and community, provide the foundation for learning all other skills, such as job-related technical skills, thus enabling people to evolve with their jobs and adapt to workplace and workforce changes. The Essential Skills Initiative aims to improve the essential skills levels of Canadians who are entering – or already in – the labour market. The starting point is the development of profiles that show how Essential Skills are used in various occupations and their level of complexity, and provide samples of authentic workplace materials used on the job. Partnerships with provinces/territories and other workplace stakeholders help to increase the knowledge base of Essential Skills; promote understanding and their greater utilization in the workplace; and develop tools and other resources to facilitate their integration into the workplace.

http://www.hrsdc.gc.ca/essentialskills

Labour Market Information

Labour Market Information policy development and research activities are designed to contribute to the enhancement of skills and labour market information and the Pan-Canadian consistency of LMI content, products and services. Through HRSDC and Service Canada, information is provided on: national and regional employment trends; local employment prospects; wage rates; skills and education required by occupation; employment and training opportunities. Service Canada also offers job posting, job search, job alert and job matching services to job seekers and employers.

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/lmi.shtml

http://www.jobbank.gc.ca

http://www.labourmarketinformation.ca

Other

The Apprenticeship Incentive Grant

The Apprenticeship Incentive Grant was introduced to reduce the financial barriers faced by many Canadians who wish to pursue a career in the skilled trades. It is available to registered apprentices who have completed their first or second year in a Red Seal trade program, on or after January 1, 2007. Information on how to apply and conditions of eligibility, can be found on Human Resources and Social Development's website at **http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/hip/hrp/corporate/apprenticeship/app_incentive_grant.shtml&hs=hzp**

In addition to the Apprenticeship Incentive Grant Budget 2006 announced two other measures, an Apprenticeship Job Creation Tax Credit and a Tradesperson's Tools Deduction, all of which are aimed at recognizing the important contribution that apprenticeships and trades people make to the Canadian economy. Information on these tax-based measures can be found at:

http://www.cra-arc.gc.ca/whatsnew/apprenticeship-e.html

Program Activity: Learning

The Learning program activity assists Canadians to acquire the education and skills that will enable them to participate more fully in a knowledge-based economy and society. Programs within this area are delivered nationally and include statutory and non-statutory programs. The operating expenditures are funded from the Consolidated Revenue Fund and the Employment Insurance Account.

Student Financial Assistance

Canada Student Loans Program, Repayment and Debt Management Assistance, the Canada Access Grants and the Canada Study Grants

The Canada Student Loans Program, including Canada Access Grants and Canada Study Grants, promotes accessibility to post-secondary education by providing loans and grants to help lower financial barriers for those with a demonstrated financial need. The Program also offers debt management measures to borrowers to help with repayment. These include Revision of Terms, Interest Relief, Debt Reduction in Repayment and loan forgiveness in the event of the permanent disability or death of a qualified borrower.

http://www.hrsdc.gc.ca/en/gateways/topics/cxp-gxr.shtml and

http://www.canlearn.ca/cgi-bin/gateway/canlearn/en/parent.asp

Canada Education Savings Program

Canada Education Savings Grant and the Canada Learning Bond

Canada Education Savings Program includes the Canada Education Savings Grant and the Canada Learning Bond. This program provides grants to encourage Canadians to save for the post-secondary education of their children through Registered Education Savings Plans. The Canada Learning Bond is designed to help low-income Canadian families to acquire education savings for their children.

http://www.hrsdc.gc.ca/en/gateways/topics/cgs-gxr.shtml

Adult Learning, Literacy and Essential Skills Program

On March 23, 2006, Treasury Board approved the integration of three of its grants and contributions programs into a single coherent program. The Adult Learning, Literacy and Essential Skills Program brings together the National Literacy Program, the Office of Learning Technologies Program and the Learning Initiatives Program under one set of Terms and Conditions. Adult Learning, Literacy and Essential Skills Program works through non-statutory grants and contributions. The key objectives of the Adult Learning, Literacy and Essential Skills Program are:

- to promote lifelong learning by reducing non-financial barriers to adult learning; and

- to facilitate the creation of opportunities for Canadians to acquire the learning, literacy and essential skills they need to participate in a knowledge-based economy and society.

http://www.hrsdc.gc.ca/en/hip/lld/olt/ADULTLLESP.shtml

International Academic Mobility

The International Academic Mobility initiative advances the development of international skills and knowledge among Canadian students, and promotes international linkages among post-secondary education institutions.

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/iam.shtml

Safe, healthy, fair, stable, cooperative and productive workplaces and effective international labour standards

Program Activity: Labour

The Labour Program actively promotes and sustains stable industrial relations and a safe, fair, healthy, equitable and productive workplace within the federal labour jurisdiction. It collects and disseminates labour and workplace information, represents Canada at international labour activities, fosters constructive labour-management relationships and ensures that minimum labour standards and occupational health and safety protections are enforced.

Federal Mediation and Conciliation Service

This service is responsible for providing dispute resolution and dispute prevention assistance to trade unions and employers under the jurisdiction of Part I (Industrial Relations) of the *Canada Labour Code* and Part II of the *Status of the Artist Act*.

http://www.hrsdc.gc.ca/asp/gateway.asp?hr=/en/lp/fmcs/02About.shtml&hs=mxm

National Labour Operations

This program ensures consistent and cost-effective administration of Part II (Occupational Health and Safety) and Part III (Labour Standards) of the *Canada Labour Code*, as well as the *Employment Equity Act*, Federal Contractors Program for Employment Equity, Fair Wages and *Hours of Labour Act* and the *Non-smokers' Health Act*. National Labour Operations is responsible, as well, for administering the *Government Employees' Compensation Act* and the *Merchant Seamen Compensation Act*. It also administers Fire Protection Services on behalf of Treasury Board.

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/labour.shtml

International and Intergovernmental Labour Affairs

This program promotes the development, observance and effective enforcement of internationally recognized labour principles, and fosters cooperation and coordination among labour jurisdictions in Canada on international and national labour issues and facilitates dialogue with Program stakeholders.

http://www.hrsdc.gc.ca/en/lp/ila/index.shtml

Workplace Policy and Information

This program identifies emerging trends and changes in the workplace and provides leadership in labour policy development. It manages a national database of collective agreements, conducts research on employment relationships and disseminates key information, research and analysis. See Work-life Balance and Ageing Workforce at:

http://www.hrsdc.gc.ca/en/lp/wid/info.shtml

Other

Aboriginal Labour Affairs

Aboriginal Labour Affairs Office ensures a coordinated program approach to Aboriginal labour issues and facilitates the identification of, and appropriate response to, issues arising in the context of self-government negotiations and program service delivery.

Enhanced income security, access to opportunities and well-being for individuals, families and communities

Program Activity: Social Investment

Human Resources and Social Development Canada develops and administers a broad range of programs that address the needs of seniors, persons with disabilities and children and families.

Seniors and Pensions

Canada Pension Plan

The Canada Pension Plan is a joint federal-provincial plan that operates throughout Canada, except in Quebec, which has its own comparable plan. The Canada Pension Plan provides for a variety of benefits based on life changes. It provides benefits for surviving partners and children of contributors, people with disabilities and their children and a one-time maximum benefit of $2,500 in the event of death. It is a contributory plan; contributors are employers, employees or self-employed persons between the ages of 18 and 70 who earn at least a minimum amount during a calendar year. Benefits are calculated based on how much and for how long a contributor has paid into the Plan. Benefits are not paid automatically – everyone must apply and provide proof of eligibility. Approximately 12 million Canadians over the age of 18 contribute annually to the Plan and approximately 4 million Canadians received benefits during 2006–2007.

http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/isp/cpp/cpptoc.shtml&hs=cpr

Old Age Security

The Old Age Security program is one of the cornerstones of Canada's retirement income system, providing a basic monthly pension to most Canadians aged 65 or older who meet the residence and legal status requirements. It is financed from Government of Canada general tax revenues and indexed quarterly to the Consumer Price Index. Recognizing the difficult financial circumstances faced by many seniors, the Old Age Security program provides additional income-tested benefits for low-income individuals, namely the Guaranteed Income Supplement, the Allowance and the Allowance for the Survivor.

- The Guaranteed Income Supplement is a monthly benefit available to Old Age Security pensioners with little to no other income. The amount of the benefit is dependent upon income, residence, and marital status.
- The Allowance is a monthly benefit paid to a 60–64 year old spouse or common-law partner of an Old Age Security pensioner. The Allowance for the Survivor is available to low-income persons aged 60–64, and whose spouse or common-law partner is deceased. To be eligible, Allowance and Allowance for the Survivor recipients must reside in Canada and have low income.
- The Allowance for the Survivor is available to low-income individuals aged 60 to 64 whose spouse or common-law partner is deceased and who have not re-married nor entered into a common-law relationship.

Approximately 4.3 million Canadians are in receipt of Old Age Security benefits, of which 1.5 million also receive Guaranteed Income Supplement benefits.

http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/isp/oas/oastoc.shtml&hs=ozs

New Horizons For Seniors Program

The New Horizons for Seniors Program provides funding for community-based projects across Canada. Its projects encourage seniors to contribute their skills, experience and wisdom in support of social well-being in their communities and promote the ongoing involvement of seniors in their communities to reduce their risk of social isolation. The New Horizons for Seniors Program funding also strengthens networks and associations among community members, community organizations, and governments; and enhances opportunities for building community capacity and partnerships to respond to existing or emerging social challenges.

http://www.hrsdc.gc.ca/en/isp/horizons/toc.shtml

Disability Programs

Human Resources and Social Development Canada is the lead department for the Government of Canada on issues affecting people with disabilities. The Office for Disability issues provides a national focal point on disability within the Government of Canada, and promotes the full participation of people with disabilities in all aspects of society and community life. The Department builds awareness and engages partners, citizens, and Provincial and Territorial partners in order to improve disability policy and programming.

The Office for Disability Issues also administers a variety of programs for people with disabilities. In 2006–2007, these programs included Labour Market Agreements for Persons with Disabilities, which provide provincial governments with support related provincial programming and the Opportunities Fund, which assists eligible people with disabilities to prepare for, obtain, and keep jobs or self-employment.

Through the Social Development Partnerships Program – Disability Component, the Department supports non-profit organizations that are working to meet the social development needs of people with disabilities.

Labour Market Agreements for Persons with Disabilities

The goal of the Labour Market Agreements for Persons with Disabilities is to improve the employment situation of Canadians with disabilities, by enhancing their employability, increasing the employment opportunities available to them, and building on their existing knowledge base. The Agreements facilitate coordination in labour market programming targeted to persons with disabilities through agreements with provinces.

http://www.hrsdc.gc.ca/en/hip/odi/08_multilateralFramework.shtml

Opportunities Fund for Persons with Disabilities

The Opportunities Fund for Persons with Disabilities is designed to assist people with disabilities who are otherwise ineligible for employment programs available through the Employment Insurance program to return to work. Funding under the Opportunities Fund assists eligible people with disabilities to prepare for and obtain employment or self-employment as well as to develop the skills necessary to maintain that new employment. The Fund also supports effective and innovative activities such as encouraging employers to provide individuals with work opportunities and experience; assisting individuals to increase their employment skill level and helping individuals to start their own business; and working in partnership with organizations for people with disabilities, including the private sector, to support innovative approaches to integrate individuals with disabilities into employment or self-employment, and address barriers to an individual's labour market participation

http://www.hrsdc.gc.ca/en/epb/sid/cia/grants/of/desc_of.shtml#1

Canada Pension Plan – Disability

The enhanced social and economic participation of people with disabilities is also supported through the disability benefits that are payable to eligible individuals under the Canada Pension Plan. The Canada Pension Plan Disability Program is Canada's largest long-term disability insurance plan. In 2006–2007, $3.4 billion in benefits were paid to 304,000 individuals and 90,000 of their children. Approximately 64,000 new applications were received in the same year

Canada Pension Plan – Disability Benefits

Canada Pension Plan – Disability benefits are payable to contributors who meet the minimum contributory requirements and whose disability is "severe and prolonged," as defined in the legislation; that is, a mental or physical disability that prevents them from working regularly at any job at a substantially gainful level. In determining an individual's medical eligibility, consideration is given to personal characteristics such as age, education and work experience. Socio-economic factors such as the availability of work are not. Children of Canada Pension Plan disability beneficiaries are also eligible for a monthly benefit up to the age 18, or up to age 25 if attending school full-time.

http://www.hrsdc.gc.ca/en/isp/cpp/summary.shtml

Community Development and Partnerships

The Social Development Partnerships Program enables social non-profit organizations to improve the social well-being of children and families, individuals with disabilities, and minority language communities, and encourages Vibrant Communities and other community-based collaborations.

In addition, this program carries out policy research, analysis and development; monitors Canadian and international experience for model approaches and lessons learned; supports the efforts of the community sector to innovate, strengthens networks of collaboration, promotes self-sufficiency, and shares good practices to contribute to community well-being; and brings together experts from the federal government and external organizations to discuss issues, challenges and opportunities and to share best practices in collaboration to address the complex problems facing our cities, communities and community sector.

Social Development Partnerships Program

The Social Development Partnerships Program provides funding to organizations to promote new knowledge, develop networks and strengthen the non-profit sector's ability to meet the needs of vulnerable populations. It funds projects to support social inclusion, improve the lives of children and families, people with disabilities and official language minority communities. It also provides funding for the Understanding the Early Years initiative and the Voluntary Sector Strategy.

http://www.hrsdc.gc.ca/en/community_partnerships/sdpp/index.shtml

Understanding the Early Years

Understanding the Early Years helps communities across Canada better understand the needs of their young children and families. Understanding the Early Years is a national initiative providing communities with information about the readiness to learn of their children, community factors influencing child development, and local resources available to support young children and their families. Communities use this information to develop community action plans to guide future policies, programs, or investments that help their children thrive in the early years.

http://www.hrsdc.gc.ca/en/hip/sd/300_UEYinfo.shtml

Program Activity: Children and Families

This Program provides support and choices for families, through Canada's Universal Child Care Plan and other existing initiatives, to help ensure their children have the best possible start in life.

Child Care

In 2006, the Government of Canada introduced Canada's Universal Child Care Plan consisting of two key elements designed to give parents choice in child care so they can balance work and family life.

Universal Child Care Benefit

In July 2006 families began to receive up to $1,200 per year for each child under six, taxable in the hands of the lower-income spouse. Payments are made directly to parents so that they can choose the child care that is best for their children and their family's needs. The Universal Child Care Benefit is provided in addition to existing federal programs such as the Canada Child Tax Benefit and the National Child Benefit Supplement and does not affect the benefits families receive under these programs or the Child Care Expense Deduction. Further information can be found at

www.universalchildcare.ca.

Supporting the Creation of Child Care Spaces

Recognizing the availability of child care spaces is a challenge faced by many families. Budget 2007 proposes to transfer $250M per year to provinces and territories via the Canada Social Transfer, with federal support growing by 3% every year thereafter to 2013–2014. This new investment will support provinces and territories in the creation of child care spaces that are responsive to the needs of parents and administered in an efficient and accountable manner. In addition, effective March 19, 2007, a 25% non-refundable investment tax credit, to a maximum of $10,000 per space created, is available to support businesses in the creation of licensed child care spaces in the workplace for the children of their employees and potentially, for children in the surrounding community.

Multilateral Framework for Early Learning and Child Care

The objectives of the federal, provincial and territorial Multilateral Framework on Early Learning and Child Care are to promote early childhood development and support the participation of parents in employment or training by improving access to affordable, quality early learning and child care programs and services. In 2003–2004, the Government of Canada began transferring $1.05 billion over five years through the

Canada Social Transfer to support provincial and territorial government investments in early learning and child care. Further information can be found at **http://www.ecd-elcc.ca**

Early Childhood Development Agreements

Through the Early Childhood Development Agreement, federal, provincial and territorial governments have committed to improving and expanding early childhood development supports for young children—prenatal to age six—and their parents. The Government of Canada transfers $500 million per year, via the Canada Social Transfer, to provincial and territorial governments to improve and expand programs and services in four key areas: promoting healthy pregnancy; birth and infancy; improving parenting and family supports; strengthening early childhood development, learning and care; and strengthening community supports.

http://www.ecd-elcc.ca

National Child Benefit Initiative

Introduced in 1998, the National Child Benefit initiative is a key commitment in helping to ensure that children in low-income families get the best possible start in life. The National Child Benefit is a partnership among federal, provincial, and territorial governments[39], including a First Nations component, which provides income support, as well as benefits and services, to low-income families with children. The National Child Benefit aims to: help prevent and reduce the depth of child poverty; promote attachment to the labour market by ensuring families are always better off as a result of working; and reduce overlap and duplication by harmonizing program objectives and benefits and simplifying administration.

Under this initiative, the Government of Canada provides income support to low-income families with children through the National Child Benefit Supplement[40]. Maximum National Child Benefit Supplement benefits for a two-child family were $3,665 in 2006–2007. Human Resources and Social Development Canada is responsible for policy development with respect to the National Child Benefit, and the Minister of Human Resources and Social Development represents the Government of Canada in this federal/provincial/territorial initiative. Joint federal/provincial/territorial reports on the progress of this initiative are available on the National Child Benefit website:

http://www.nationalchildbenefit.ca

Other

Child Disability Benefit

The Child Disability Benefit is paid by the Canada Revenue Agency as a monthly supplement to the Canada Child Tax Benefit and Children's Special Allowances payments to low- and modest-income families with a severely disabled child. Social Development Canada participated in the development of the Child Disability Benefit and is involved in its ongoing implementation.

The Department also plays a key role, on behalf of the Government of Canada, in the development and exchange of knowledge, information, and best practices related to children and their families.

Program Activity: Housing and Homelessness

This program activity assists communities, through partnerships, in implementing measures – such as shelters, supportive and transitional housing, and related support services – that help homeless individuals and families as well as those at risk of homelessness move towards self-sufficiency, thereby contributing to society and the economy.

http://www.homelessness.gc.ca/home/index_e.asp

Supporting Communities Partnership Initiative

The Supporting Communities Partnership Initiative aims to increase availability and access to a range of services and facilities (emergency shelters, transitional/

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[39] The Government of Quebec has stated that it agrees with the basic principles of the National Child Benefit. Quebec chose not to participate in the initiative because it wanted to assume control over income support for children in Quebec; however, it has adopted a similar approach to the National Child Benefit. Throughout this section, references to joint federal/provincial/territorial positions do not include Quebec.

[40] The Canada Child Tax Benefit including the National Child Benefit Supplement) is a tax measure, and is administered by Canada Revenue Agency. As such, the Canada Revenue Agency reports on strategic priorities, indicators and outcomes of the Canada Child Tax Benefit.

supportive housing, and prevention) along the continuum from homelessness to self-sufficiency and an independent lifestyle. Projects funded by the Supporting Communities Partnership Initiative support the priority areas identified through an inclusive community planning process. Along with providing financial support to communities, the Supporting Communities Partnership Initiative encourages them to work in partnership with provincial/territorial and municipal governments as well as the private and voluntary sectors to strengthen existing capacity and to develop integrated responses to homelessness. Communities are allocated a maximum funding level that must be matched from other community sources (i.e., fundraising, local sponsors, etc.). Communities must also explain how their activities are sustainable (i.e., how they will continue once Supporting Communities Partnership Initiative funding ends).

http://www.homelessness.gc.ca/initiative/scpi_e.asp

Urban Aboriginal Homelessness

Aboriginal homelessness is a serious issue in some communities and is best addressed by developing local responses. The National Homelessness Initiative will continue to address the unique needs of the Aboriginal population through its Urban Aboriginal Homelessness component. This component provides flexibility to meet the needs of homeless Aboriginal people, through culturally sensitive services. Enhancing capacity building – both within and outside of Aboriginal communities – through community planning, decision making and the formulation of partnerships is a key Urban Aboriginal Homelessness focus. Cost-matching is not required; however, community contributions are encouraged where and when possible. The Housing and Homelessness Branch, formerly called the National Secretariat on Homelessness, works with the Federal Interlocutor's Division of Indian and Northern Affairs Canada to ensure the complimentarity of the Urban Aboriginal Strategy pilot projects and the National Homelessness Initiative's Urban Aboriginal Homelessness component.

http://www.homelessness.gc.ca/initiative/uah_e.asp

Regional Homelessness Fund

The Regional Homelessness Fund is designed to provide support to small and rural communities that are experiencing homelessness in their local areas, but often need to build greater capacity in order to respond to homelessness issues. Homeless individuals or those at risk of homelessness in smaller, isolated communities must often move to larger urban centres to access homeless-related supports and services. This in turn can place a burden on the service systems of these larger communities. The Regional Homelessness Fund provides funding to establish support services needed to prevent homelessness and to help stabilize the living conditions of at-risk individuals and families. The Fund also encourages a wide range of partnerships and takes the unique needs of youth populations into consideration in the planning and implementation process.

http://www.homelessness.gc.ca/initiative/rhf_e.asp

National Research Program

The National Research Program is designed to address the gaps and priorities in knowledge around issues of homelessness in Canada. The program works to: further increase the base of policy and community-relevant research; encourage and support research partnerships (with research and community organizations, other federal departments, and academic researchers); and facilitate the sharing of best practices and transfer of knowledge. By providing funding to partners to strengthen their capacity to develop a deeper understanding of homelessness, the National Research Program will help foster the development and assessment of appropriate and effective solutions to homelessness. This is vital to making efficient use of scarce resources and sustaining community efforts over the long term.

http://www.homelessness.gc.ca/initiative/nrp_e.asp

Homeless Individuals and Families Information System

Homeless Individuals and Families Information System is a user-friendly, robust software application that provides a portrait of shelters and their clientele. It gives service providers an electronic data management system that enables them to share information and develop partnerships with local, private, municipal, provincial/territorial and federal levels. Data on demographic characteristics and shelter use patterns of people experiencing homelessness address knowledge gaps and support local planning efforts. The benefits resulting from a network of data-sharing communities contribute to the development of a national database that informs effective policies and programs.

The Homeless Individuals and Families Information System Initiative have compiled a National Shelter List. It has identified 1,020 shelters representing more than 26,000 regular shelter beds. The Homeless Individuals and Families Information System have up to 520 registered users, including shelters and other service providers such as food banks, drop-in centres and supportive housing organizations.

www.hifis.ca

Surplus Federal Real Property for Homelessness Initiative

The Surplus Federal Real Property for Homelessness Initiative provides surplus federal properties to communities across Canada to address their local homelessness-related needs through the Housing and Homelessness Branch coordination. The homelessness projects, which must be financially viable and sustainable, help communities overcome the high capital costs of buying land or buildings. Government departments and agencies, which are encouraged to identify such properties, receive compensation at market value and transfer them – to community organizations, the not-for-profit sector and other orders of government – for a nominal cost to help alleviate and prevent homelessness. Additional funding for construction and renovation costs may also be available through related federal programs such as the Supporting Communities Partnership Initiative and Canada Mortgage and Housing Corporation programs. Three Government of Canada organizations – Public Works and Government Services Canada, Human Resources and Social Development Canada and the Housing and Homelessness Branch, and Canada Mortgage and Housing Corporation – act as partners at the national and regional levels in implementing and managing this initiative.

http://www.homelessness.gc.ca/initiative/sfrphi_e.asp

Achieve better outcomes for Canadians through service excellence

Program Activity: Service Canada

Seamless, Citizen-Centred Service

This program activity focuses on delivering seamless citizen-centred service by providing integrated, one-stop service based on citizen needs and helping to deliver better policy outcomes.

Integrity

This program activity seeks to enhance the integrity of programs by building trust and confidence in the integrity of our social programs and by achieving significant savings in program payments. Its expected results are that benefits are delivered in the most cost-effective manner to the right citizen, at the right time, and for the purpose they were intended.

Collaborative, Networked Government Service

This program activity seeks to encourage work as a collaborative, networked government by building whole-of-government approaches to service that enables information sharing, integrated service delivery and strategic investment for the benefit of Canadians. Its expected results are that programs and services are synchronized within the federal government and across jurisdictions to enhance efficiency and ease of accessibility for citizens.

Accountable and Responsible to Government

This program activity seeks to demonstrate accountable and responsible government by delivering results for Canadians and government, savings for taxpayers, and transparency in reporting. Its expected results are sound stewardship of public funds ensuring value-for-money and transparent performance reporting.

Service Excellence Culture

This program activity seeks to build a service excellence culture by supporting our people, encouraging innovation, and building leadership and capacity to provide citizen-centred service. Its expected results are the presence in Service Canada of a skilled and dynamic workforce focused on citizen-centered service.

As part of its citizen focus, Service Canada has developed a Service Charter that describes its commitment for better service, service standards to communicate the level of service Canadians should expect, and a Performance Scorecard which includes service indicators for measuring access and Client Satisfaction results. An Office for Client Satisfaction was created to monitor and manage suggestions, compliments and complaints and identify where Service Canada can improve its processes to be more responsive and fair.

Website References

Human Resources and Social Development Canada Website

http://www.hrsdc.gc.ca/en/home.shtml

Service Canada Website

http:www.servicecanada.gc.ca/en/home.shtml

The Honourable Monte Solberg P.C., M.P.

Minister of Human Resources and Social Development Canada

http://www2.parl.gc.ca/Parlinfo/Files/Parliamentarian.aspx?Item=a41f0339-61c7-4e13-9988-3388def0e162&Language=E&Section=FederalExperience

The Honourable Jean-Pierre Blackburn

Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec

http://www2.parl.gc.ca/Parlinfo/Files/Parliamentarian.aspx?Item=74df2965-5f3e-47af-8a91-cdf4d6e3f66a&Language=E&Section=FederalExperience

http://pm.gc.ca/eng/bio.asp?id=50

Acts and Regulations Governing Human Resources and Skills Development Canada and Social Development Canada

http://www.hrsdc.gc.ca/en/cs/fas/as/contact/acts.shtml

Human Resources and Social Development Canada Internal Audit

http://www.hrsdc.gc.ca/en/cs/sp/sdc/audit/page00.shtml

http://www.hrsdc.gc.ca/en/cs/fas/iarms/toc.shtml

Human Resources and Social Development Canada Evaluation

http://www.hrsdc.gc.ca/en/gateways/nav/left_nav/publications.shtml

Human Resources and Social Development Canada Overview

List of HRSDC Programs and Services

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/ps.shtml

Speech from the Throne, April 4, 2006

http://www.pm.gc.ca/eng/media.asp?id=1087

Enhanced Canadian productivity and participation through efficient and inclusive labour markets, competitive workplaces and access to learning

Labour Market

Employment Insurance Benefits

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/ei.shtml

Employment Benefits and Support Measures

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/gc.shtml

Labour Market Development Agreements

http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/lmda-edmt/description_e.asp

Aboriginal Human Resources Development Strategy

http://www17.hrdc-drhc.gc.ca/AHRDSInternet/general/public/HomePage1_e.asp

http://www17.hrdc-drhc.gc.ca/AHRDSInternet/general/public/HomePage1_f.asp

Aboriginal Skills and Employment Partnerships

http://www17.hrdc-drhc.gc.ca/AHRDSInternet/general/public/asep/asep_e.asp

Youth Employment Strategy

http://www.youth.gc.ca

Official Language Minority Communities

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/solmc.shtml

Work Sharing

http://www.hrsdc.gc.ca/en/epb/sid/cia/grants/ws/desc_ws.shtml

Workplace Skills

Human Resources Partnerships

The Sector Council Program

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/spi.shtml

Essential Skills

http://www.hrsdc.gc.ca/en/hip/hrp/essential_skills/essential_skills_index.shtml

National Occupational Classification

http://www.hrsdc.gc.ca/en/hip/hrp/noc/noc_index.shtml

Apprenticeship and Labour Mobility Initiatives

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/almi.shtml

The Foreign Worker Program

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/fw.shtml

Labour Market Information

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/lmi.shtml

Red Seal Program

http://red-seal.ca/

Workplace Skills Strategy

http://www.hrsdc.gc.ca/en/ws/index.shtml

Workplace Skills Initiative

http://www.hrsdc.gc.ca/en/ws/initiatives/wsi/index.shtml

Foreign Credential Recognition

http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/ws/programs/fcr/index.shtml&hs=hzp

Learning

Canada Student Loans and Grants

http://www.hrsdc.gc.ca/en/gateways/topics/cxp-gxr.shtml

http://www.canlearn.ca

Canada Education Savings Grant: General Information

http://www.hrsdc.gc.ca/en/gateways/topics/cgs-gxr.shtml

Adult Learning, Literacy and Essential Skills Program

http://www.hrsdc.gc.ca/en/gateways/topics/lxa-gxr.shtml

http://www.hrsdc.gc.ca/en/gateways/topics/lxi-gxr.shtml

International Academic Mobility

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/iam.shtml

Safe, healthy, fair, stable, cooperative and productive workplaces and effective international labour standards

Labour

The Federal Mediation and Conciliation Service

http://www.hrsdc.gc.ca/asp/gateway.asp?hr=/en/lp/fmcs/02About.shtml&hs=mxm

National Labour Operations

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/labour.shtml

International Labour Affairs

http://www.hrsdc.gc.ca/en/lp/ila/index.shtml

Labour Policy and Workplace Information

http://www.hrsdc.gc.ca/en/lp/wid/info.shtml

Enhanced income security, access to opportunities and well-being for individuals, families and communities

Social Investment

Canada Pension Plan

http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/isp/cpp/cpptoc.shtml&hs=cpr

Canada Pension Plan and Old Age Security

http://www.hrsdc.gc.ca/en/oas-cpp/index.shtml

Canada Pension Plan – Disability:
http://www.hrsdc.gc.ca/en/isp/cpp/summary.shtml

Canada Pension Plan Disability Benefits
http://www.hrsdc.gc.ca/en/oas-cpp/cpp_disability/index.shtml

Community Development and Partnerships Directorate
http://www.hrsdc.gc.ca/en/community_partnerships/index.shtml

Labour Market Agreements for Persons with Disabilities:
http://www.hrsdc.gc.ca/en/hip/odi/08_multilateralFramework.shtml

New Horizons for Seniors Program:
http://www.hrsdc.gc.ca/en/isp/horizons/toc.shtml

Old Age Security
http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/isp/oas/oastoc.shtml&hs=ozs

Opportunities Fund for Persons with Disabilities:
http://www.hrsdc.gc.ca/en/epb/sid/cia/grants/of/desc_of.shtml#1

Social Development Partnerships Program:
http://www.hrsdc.gc.ca/en/community_partnerships/sdpp/index.shtml

The Office for Disability Issues
http://www.hrsdc.gc.ca/en/disability_issues/index.shtml

Understanding the Early Years:
http://www.hrsdc.gc.ca/en/hip/sd/300_UEYinfo.shtml

Children and Families

Canada's Universal Child Care Plan
http://www.universalchildcare.ca

Federal/Provincial/Territorial Early Childhood Development Agreement
http://www.ecd-elcc.ca

Multilateral Framework on Early Learning and Child Care
http://www.ecd-elcc.ca

The National Child Benefit
http://www.nationalchildbenefit.ca

Housing and Homelessness

The National Homelessness Initiative
http://www.homelessness.gc.ca/home/index_e.asp

The National Homelessness Initiative Programs
http://www.homelessness.gc.ca/initiative/nhiprograms_e.asp

Achieve better outcomes for Canadians through service excellence

Service Canada
http://www.servicecanada.gc.ca/en/home.html

Questions and Public Enquiries

If you have questions about departmental programs and services, you may contact your nearest Service Canada office listed in the Government of Canada pages of the telephone book or through the HRSDC website at

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/our_offices.shtml.

To obtain HRSDC publications, please contact the Public Enquiries Centre at

http://www.hrsdc.gc.ca/en/gateways/nav/left_nav/publications.shtml

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